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First Session

of the

Twenty-Fourth Legislature

of the

Province of Ontario

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Toronto, Ontario, February 21, 1952, et seq.

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Volume XIX

Tuesday, March 18, 1952.

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HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Chief Hansard Reporter
Parliament Buildings
Toronto

N I N E T E E N T H D A Y

P R O C E E D I N G S

of the

FIRST SESSION OF THE TWENTY-FOURTH LEGISLATURE, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, ON THURSDAY, FEBRUARY 21st, 1952, et seq.

Hon. (Rev.) M. C. DAVIES, Speaker,
Presiding.

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Toronto, Ontario,
Tuesday, March 18th, 1952.

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The House having met. 3 o'clock p.m.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting Reports by Committees.

Motions.

Introduction of Bills.

HON. DANA PORTER (Attorney-General) moves first reading of Bill intituled, "An Act to amend the Loan and Trust Corporations Act".

He said: This Bill makes certain provisions in connection with the common trust fund permitted to trust and loan corporations by Section 76 of the Loan and Trust Corporations Act. This provision arose in an amendment -- I think it was a year ago -- which permitted loan and trust corporations to set up common trust funds when they were handling a number of small estates, and has been a matter of considerable convenience in the administration of those estates.

The amendment proposed provides for the passing of accounts with respect to common trust funds, in the office of the Surrogate Court in the county or district in which the fund is being administered.

In the second place, there is an amendment complementary to the amendment proposed for the Trustees' Act in connection with a trustee investing in loan and trust corporations, and since this amendment is similar in principle to that which was mentioned the other day, in connection with the Trustees' Act, this Bill will also be referred, in due course, to the Legal Bills Committee, and will be disposed of, no doubt, in the same way as the amendment to the Trustees' Act.

Motion agreed to.

HON. L. P. CECILE (Minister of Travel and Publicity) moves first reading of Bill intituled "An Act to Amend the Tourists Establishment Act".

He said: Mr. Speaker, heretofore, all matters in connection with tourists outfitters' camps have been administered by the Department of Lands and Forests, under the authority of the Game and Fish Act. This has been done in order to sufficiently conserve wild life.

The effect of this Bill, together with a complementary amendment which will be introduced to the Game and Fish Act at this Session, is that the licensing of tourist outfitter camps will remain under the Department of Lands and Forests as an additional conservation measure. All other features of control, such as classification and inspection will become the function of the Department of Travel and Publicity.

Motion agreed to; first reading of the Bill.

MR. R. MACAULAY (Riverdale) moves first reading of Bill intituled, "An Act to Amend the Mechanics' Lien Act, 1952".

Motion agreed to; first reading of the Bill.

HON. G. H. DUNBAR (Minister of Municipal Affairs) moves first reading of Bill intituled, "An Act to Amend the Municipal Act".

He said: Mr. Speaker, in this Act there are 27 sections and a number of sub-sections, and it will go to the Committee on Municipal Law, at the second reading.

75% of these amendments have been asked for by municipalities, or organizations representing municipalities, and the others are just to clarify some sections which are already on the Statute Books.

Motion agreed to; first reading of the Bill.

HON. A. WELSH (Provincial Secretary): Mr. Speaker, I beg to present to the House the following:

1. The report of the Secretary and Registrar of the Province of Ontario, for the calendar year ended December 31, 1951, in respect to the administration of the Provincial Corporations Act.

2. The report of the Secretary and Registrar of the Province of Ontario, for the fiscal year ended March 31, 1951, with respect to the administration of the Companies' Act, the Mortmain Act, and the Charitable Uses Act.

MR. SPEAKER: Orders of the Day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I beg to table answers to questions numbers 9, 46, 45, 26, 44, 25 and 13.

I notice, in regard to Question 13, that the Ontario Municipal Improvement Corporation, in less than two years, has loaned over ten million, three hundred thousand dollars to the municipalities, which

shows the corporation is at work.

MR. R. E. ELLIOTT (Hamilton East): Mr. Speaker, it is a pleasure for me to rise in this House to welcome the boys and girls from the Memorial School in Hamilton. One-half of these boys and girls come from Wentworth, and the other half from Hamilton East.

Hamilton has the pleasure of receiving thousands of tourists during the year, and I have had an opportunity of speaking to a great number of them from time to time, and according to the tourists, Hamilton is known to have the finest-looking women on the North American continent. You can see that verified by simply looking at our fine boys and girls who are here to-day from the Memorial School.

MR. F. OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the Hon. Prime Minister (Mr. Frost) when he intends to call the Committee on Government Commissions?

MR. FROST (Prime Minister): I think the Committee has been set up, and is ready to go ahead at any time.

Mr. Speaker, I notice a number of questions on the Order Paper in connection with hydro. The Hon. Minister (Mr. Challies) tells me that he worked until four o'clock on the questions, which I assume means four

o'clock in the morning. He is a very hard-working Minister, and we will have the answers very shortly. A meeting of the Committee can be convened at any time, and I would ask the Clerk of the House to arrange for a date which is satisfactory next week, to convene the Committee.

MR. F. OLIVER: May I say further to the Hon. Prime Minister (Mr. Frost), Mr. Speaker, that the other day he brought up the question as to whether Questions 16 and 17 should not be made Orders for Return. On looking over the questions, I cannot see why they should be. If there is any reason why, I would be very glad to have that information.

MR. FROST: The answers will be ready, but they are very voluminous, and there is no necessity of printing them all in the journals. If the Hon. Leader of the Opposition (Mr. Oliver) will agree to the motion, I will be prepared in a day or so to table the answers to the questions. I think the hon. Leader of the Opposition (Mr. Oliver) is fearful that if Orders for Return are made, the questions will not be answered for some time. I will assure the Hon. Leader of the Opposition that the questions will be answered before the House prorogues.

MR. OLIVER: I am fearful -- period. Does that apply to both questions 16 and 17?

MR. FROST: That is right, they are quite voluminous. The hon. member wants the information, and I think if we tabled the answers, it would be sufficient, without cluttering up the proceedings.

SPEECH FROM THE THRONE

CLERK OF THE HOUSE: First Order. Resuming the adjourned debate on the amendment to the amendment to the motion for an address in reply to the speech of the Honourable the Lieutenant-Governor at the opening of the Session.

MR. H. E. BECKETT (York East): Mr. Speaker, it gives me much pleasure, on behalf of the people of the riding of York East, to congratulate you on your election as Speaker, and we feel that you will add dignity to that high office.

As we look back upon the history of our country from the days of Confederation, we know that the planners of our Dominion built soundly and well. They and their successors had many problems to solve, by reason of the areas involved and the divergence in national background and cultural outlook of the people. We live in a land richly endowed with all manner of natural resources: our people, of sturdy

pioneering stock, have succeeded in developing these resources, so that Canada today, as a nation, has an influence in the world greater possibly than her population of fourteen million warrants. We would not, as Canadians, make exclusive claims for ourselves, but certainly we know that living in this fair land of ours so remarkable and so free from catastrophies and horrors of war, we are a wonderfully privileged people. Privilege always carries with it specific responsibilities. A true citizen, one who loves his country, always thinks in terms of responsibility, not of privilege, of what he can do for his nation, not of what he expects his nation to do for him. In planning social security for the citizens of the Province of Ontario, ranging from Child Welfare, Blind and Old-Age Pensions, Mothers' Allowances, Soldiers' Aid, Care for the Aged, and Unemployment Relief, there is a tendency to emphasize privilege almost to the exclusion of responsibility. The more the Government does for people, the more people will expect the Government to do. Paternalism in Government is desirable to a point, but paternalism becomes more of a hindrance than a help to a nation when it discourages individual initiative or the fulfilment

of one's duty of citizenship. A certain British leader in the 18th century said that "it is the function of the state to promote the good of the people within it". The good of the people can best be safeguarded by maintaining in them the spirit of independence, enterprise and co-operative goodwill, so that each person will assume his full share of national responsibility. If we are to continue as a progressive country, our people have to retain the indomitable spirit of the pioneers who by the sweat of their brows, in spite of discouragement and set-back, cleared the country and cultivated it. We must be a nation of workers, not shirkers, if we are to raise a strong stalwart nationhood.

The welfare of the citizens of Ontario is of the utmost importance to the Ontario Government. Sound progressive policies that keep pace with need and public demand ensure the best possible social democracy. As the citizens of Ontario become more conscious of the need of social services, care must be exercised in the expansion of these facilities so as not to overburden the ability of the taxpayer, to provide the revenue. From a distribution of expenditures of approximately $19,000,000.00 in 1943-44 in

welfare services, it has expanded to a cost of approximately $52,000,000.00 last year. The Province will contribute an estimated $22,000,000.00 of this total from provincial revenues. This is truly indicative of the growth of social services undertaken by the Government. There is no magic well of unlimited funds from which the revenue can be drawn. The revenue must come from the taxpayers of the Province on a year-to-year basis. The following figures give you the percentages of cost of the various welfare services:

Old Age Pensions	-	75.6%
Mother's Allowance	-	9.8%
Public Assistance	-	4.4%
Children's Aid Societies	-	2.4%
Administration Costs	-	2.4%
Homes for the Aged	-	2.3%
Medical Services	-	1.9%
Sundry Welfare Expenditures	-	1.2%
		100%

(Take "B" follows)

---Mr. Speaker retired from the Chair.

---Mr. S. L. Hall (Halton) in the Chair.

The passing of the Old Age Assistance Act last year granting up to $40.00 per month, subject to a means test, to persons between the ages of 65 and 70 was not unlike the Act passed in 1927 governing Old Age Pensions, whereby the Province and the Dominion paid one-half the cost each but the Province paid the administration cost and also paid the cost of medical attention. Under the Old Age Assistance Act, the Government of Canada pays one-half the cost, the Province the other half and the Province must administer the Act and will continue to provide free medical attention.

The extension of this Old Age Assistance to needy persons between the ages of 65 and 70 increases the beneficiaries from 300,000 to 675,000 persons. It provides benefits for the first time in our history to a new section of our population and along with Old Age Pensions, now Old Age Security, to almost one-third of our entire population between 65 and 70 and brings the total number benefitted to 817,000 persons. With the addition of the Old Age Assistance there is now provided for every eligible person in Canada 70 years or more the equivalent to a Government Annuity valued at $4,690.00 for males aged 70, $5,500.00 for females aged 70 and $10,190.00 for married couples if both are eligible for Old Age Security.

The significant social implications of this change in our Pensions Act will cause hundreds of thousands of our aged citizens, relatives, friends and neighbours to find for the first time a new sense of security and relief for their later years.

Thousands more of our younger citizens will have the satisfaction of knowing that they will be able to provide better security for their own parents, relatives and friends and at the same time make provision for the time when they will have reached the qualifying age.

Mr. Speaker, no less important will be the knowledge of our Government that it has established a permanent, orderly and comprehensive system for Old Age Security to replace the old system which was less adequate.

As a result of this new system, we shall feel that the aged people of this Province, in their declining years, will be assured of a measure of dignified, self-respecting security fully comparable to that which other countries have been able to provide for their aged people.

During the last twenty-three years close to 750,000 Canadians have benefitted under the Old Age Pensions Act.

You will therefore see, Mr. Speaker, what a lot of good comes out of the many conferences between this Government and the Government of Canada and I might say here that it was mainly due

to the insistence of the hon. Prime Minister (Mr. Frost) and his Government constantly prodding the Government of Canada.

I would like to suggest, Mr. Speaker, that perhaps the title of the Federal Act should be changed to Old Age Assistance for surely $40.00 per month today does not mean Old Age Security, and the title of the Old Age Assistance Act of Ontario be changed to Social Benefits because people today do not consider they are old at 65 and they do not like the word "assistance".

During the last twenty-three years I have had the privilege of administering the Old Age Pensions Act for the whole of the County of York. This has brought me in touch with thousands of pensioners and their families, for the population of the County of York, apart from the City of Toronto, is about one-tenth of the total population of the Province. This experience has taught me many things, chiefly that the receipt of the Pensions cheque made the people feel that there was somebody who cared a little for this class of person who is considered by many today to be a burden.

Mr. Speaker, before I leave this subject I would like to suggest -- and no doubt the hon. Minister of Welfare (Mr. Goodfellow) has it in mind -- that some system of housing be worked out whereby those receiving Old Age Security or Old Age Assistance be allowed to live together as man and

wife and not be separated as and when they are admitted to a House of Refuge. After all, when you are toddling down that last mile it is nice to be accompanied by your husband or wife, as the case may be.

May I say that the best way to overcome the present threat facing our way of life is to provide some benefits and some form of shelter to the people as a whole.

The Speech from the Throne indicated that legislation would be introduced to provide an allowance up to $40.00 per month to needy and deserving citizens between the ages of 18 and 65, and this will surely be welcomed by many parents who have sons and daughters who are unable to care for themselves due to physical unfitness, which in many cases developed at birth.

Mr. Speaker, in conclusion I would like to say that these various forms of social benefits tend to establish that freedom of the individual which is the true basis of democracy.

(Page B-5 follows.)

HON. W.S. GEMMELL (Minister of Mines): I would first of all ask that you convey to Mr. Speaker my congratulations upon his re-election to the high office of Speaker of this House and also for the dignity with which he carries out the duties of that office. I also feel that due to the manner in which he fills that position he adds considerably to the dignity of this House and the impression that he leaves upon the hon. members of this House encourages the high standard of speeches which have been made in the House this Session.

May I also congratulate the mover and the seconder (Mr. Root) of the debate in reply to the Speech from the Throne on the very excellent manner in which they presented their problems to this House and the speeches which they made on their initial entry as hon. members of this Legislature.

May I also congratulate all new hon. members for the excellence of the addresses they have made to the House in this Session, which, in my opinion, have been of a very high order.

One thing stands out in my mind since this House commenced sitting, on this occasion, and strikes me particularly because as a member from Northern Ontario, I am particularly impressed -- but before preceding may I congratulate all the hon. members from

Northern Ontario who were elected to represent ridings in the great, vast North. I, for one, am proud to represent my own riding of Sudbury.

Mr. Speaker, during the course of this debate, I was impressed by the address by the hon. member for Bellwoods (Mr. Yaremko). I happen to have been brought up and lived among people whose parents came from all parts of Europe, and whose backgrounds were in the northern sections of the country. As a matter of fact, in the City of Sudbury, in which I live, we have thirty-two different nationalities. I have always considered it a privilege and pleasure and a great help to me during the years of my life to have been associated with people whose backgroundswere different from my own. It has, in my opinion, given to me a much broader aspect of life, a much keener appreciation of what other people have to offer in life, and has given me a greater tolerance of race and religion and all those things that go to make life more happy. I say to those hon. members from Northern Ontario -- and also particularly the hon. member for Bellwoods (Mr. Yaremko) -- to whom I extend sincere congratulations for the fine address he made in this House -- because of the peculiar quality of mingling of races and groups of people who are being raised there today -- and I am sure the hon. member for Cochrane South

(Mr. Grummett) will agree with me -- despite all the riches that are pouring into the economic blood-stream of this nation Northern Ontario is making as great a contribution to Canada and the world in the way of tolerance of race and religion among nations as any other area of comparable size in this country. In the world we live in today beset with internal and external strife, I would say that Northern Ontario is raising a group of people who will make a noticeable contribution towards international peace.

Speaking as Minister of Mines, it was not my intention, today, to dwell at any length upon that particular aspect of Government, because I will be speaking later when my estimates come up in the House dealing specifically with the problems and the work of our Department. However, I would like to make a general review of the mining situation as it affects this Province today.

I would like to refer to the many great developments that have taken place this past year and particularly to indicate to you the growth that has come about in mining in this Province. I can well remember on taking office as Minister of Mines a little more than three years ago, that at that time the Province of Ontario was producing minerals to the total wealth of less than $250 million. In the past year, we have reached a figure well over the $400 million mark, and when

the figures are computed for 1951, we feel they will reach close to the $450 million mark and we hope by the end of 1952 that Ontario will be producing minerals to the total value of half a billion dollars.

Some of this, of course, has been due to improvement in price but most of it has been due to the extensive exploration and development going on in the base metal field. I am sure the gold industry has suffered severely from the exchange rates, from the low price of gold and the high cost of operation. It is interesting to note that the base metal today is carrying much of the greater share of the total production of minerals in this Province.

For instance, in my district the International Nickel Company alone produces nickel equal to practically the total of the gold production of the whole of Canada less $9 million. They have spent since the end of the war $100 million on an expansion programme and by the end of this year they will be raising each month more than one million tons of ore. They will raise this year or hoist from the underground operations 13,000,000 tons of ore which will make that one operation the largest single mining operation in the whold world.

It is interesting to note in connection with the Sudbury district that not only does it produce ninety per cent of the world's nickel but it produces the largest share of copper in the

British Empire, it produces the largest share of silver in the world and most of the world's platinum and today is supplying the pulp and paper industry with a large share of liquid sulphur dioxide.

The Falconbridge mine is one of the small operations that has greatly increased and has recently established a new ore body sufficient to warrant a smelter of its own. On top of that, the Ontario Pyrite Company, a subsidiary of Ventures Limited, has opened up a part of the Treadwell-Yukon property of lead, zinc and copper and are spending $2 million to open up that property and put it into production. As a result of this in this year the total mineral production from the Province of Ontario, one-third of it will come from the district I have the honour to represent.

However, there are many other significant mineral developments taking place in this great Province. We have the great development at Steep Rock in the District of Rainy River, and last year they shipped to Lake Erie points high grade iron ore of the sum total of better than 1,300,000 tons. The information we have at our command indicates that other companies are sharing with them in the benefits which they hold there which means that by 1955 that district will be shipping 4,000,000 to 5,000,000 tons of high grade iron ore to the steel industry of this continent and by 1960 can possibly be shipping

10,000,000 tons.

In the Michipicoten area in the district which my hon. friend from Sault Ste. Marie (Mr. Lyons) represents, they last year shipped sinter ore to a total of greater than one million tons, and favilities are to be extended both at Sault Ste. MaR-e Marie and in this district which will ensure an increasing growth in that community of the iron situation as it now exists in this province.

The Cobalt area, of course, was referred to by the hon. member for Temiskaming (Mr. Herbert) yesterday and there is very little I can mention in this connection outside of what he had to say then except that we are all extremely happy that the Cobalt camp is coming back and that Cobalt is making a great contribution to the production of America through the production of Cobalt and that geophysical surveys and diamond drilling will surely make that into a great camp as it was back in the early days of the century.

One of the significant things which I mentioned last year which will probably be interesting to newer members of the House was that during the term when the hon. Prime Minister (Mr. Frost) was Minister of Mines for this Province, he had carried out an airborne magnetometer survey of a section of Hastings County.

(Take "C" follows)

As a result of that work being done, we have now in process of being opened up by the Bethlehem Steel Corporation of the United States, a new iron mine in eastern Ontario. This has focused the attention of many on the iron and mineral deposits of eastern Ontario. We hope as a result of their activities, as well as the activities of the Algoma Steel Corporation that new developments will take place in eastern Ontario, in the mineral field which will be beyond the dreams of many of us.

The gold camps, as I have said before, have suffered and we are hopeful this situation will take care of itself in the very early future, so that gold will once again resume its proper place and bring wealth to the people of this province. I just want to make a brief review of the mineral resources of this province because I will be speaking very definitely on them in the estimates when they come before the House.

I would like to take this opportunity to dwell upon a subject which I think is of great importance to the people of Ontario and the people of Canada, in the days ahead. Most of you have probably seen in the Press within the last few months, the developments that have taken place in Alberta with regard to oil and natural gas. You have seen where there have been attempts to bring natural gas

in from Texas to Ontario and also to pipe gas from western Canada into Ontario. In order to give you the whole picture properly and particularly for those who are not familiar with the gas business, I will read to the House, a statement made in 1950 on the gas situation in Ontario, or a brief report on its history:

> "The first gas well in the Province was drilled near Port Colborne in 1885. This well was quite small with a daily capacity of only 7,000 cubic feet. It was not until January of 1889 that the first commercial gas well was drilled in Gosfield Township, Essex County. Later, in August of 1889, commercial production was also begun in Humberstone and Bertie Townships in Welland County.
>
> It may be said, therefore, that the natural gas industry had its beginning in 1889. Immediately following the discovery of commercial quantities of gas in Essex County and shortly after in Welland County, arrangements were made for the export of Welland County gas to Buffalo, New York, in January, 1891, and of Essex County gas to Detroit and Toledo in 1894. The export of gas to the United States from the above field was of short duration, owing to the rapid exhaustion of the fields, and the export of gas to Buffalo ceased in 1907, and to Detroit and Toledo in 1901. The distribution and use of natural gas in south-western Ontario began shortly after the discovery of natural gas in Essex and Welland Counties when gas was piped in 1893 to the City of Welland and in 1904 to the City of Niagara Falls.
>
> In the years that followed, other fields

were developed and the production and distribution of natural gas increased steadily until 1917, when owing to the war demand and the exhaustion of gas wells, controls and restrictions had to be placed on the use of natural gas. These controls were removed a few years later, but with the increased requirements in the fall of 1940 of natural gas for war industries, it was found necessary to once again put into force controls and restrictions on the domestic, commercial and non-essential industrial consumption of natural gas. Under the provisions of the War-time Measures Act, the Federal Power Controller took over control of gas supplies and gave priority to war industries.

With the resignation of the Federal Power Controller in the Spring of 1946, all the Power Controller's orders were rescinded and the control of natural gas once again placed under Provincial jurisdiction.

Since the supplies of gas were limited and not sufficient to meet all requirements, it was found necessary to place provincial controls on the distribution and consumption of natural gas under the provisions of the Natural Gas Conservation Act and also the Fuel Supply Act. In the summer of 1949 it was possible, for the first time since the second Great War, to relax the controls on the use of natural gas in certain areas, while in other sections it was found necessary to enforce strict control on the distribution and use of natural gas. Controls still remain in force, particularly with reference to the utilization of natural gas for industrial use, and for any type of space-heating, either domestic or industrial.

In order to meet the shortage in the supply

of natural gas in south-western Ontario, the distributing companies have since 1944 been carrying on negotiations for substantial supplies of natural gas from the United States".

I have a statement regarding negotiations the Union Gas Company carried on since 1944 regarding the importation of natural gas from the Texas fields, from the eastern panhandle system. I will read this statement to the House:

" In 1944, the Union Gas Company of Chatham entered into a contract with the Panhandle Eastern Pipeline Company for the annual importation of 5.5 billion cubic feet of gas into Ontario.

In April, 1946, The Federal Power Commission of the United States granted an export permit subject, however, to the condition that the full contract could not be exercised until all the requirements along the Panhandle Eastern Line in the United States were satisfied. This condition resulted in the Union Gas Company only receiving token volumes (30 million cubic feet per year) of gas during the period 1946 to 1948 inclusive. During the summer of 1949, however, the Union Gas Company received nearly one billion cubic feet. In the summer months of 1950 nearly three billion cubic feet and in the summer months of 1951 a slightly larger volume of natural gas was received.

Owing to the restrictions imposed on the export of gas by the Federal Power Commission in 1946, the Union Gas Company continued, from time to time, to petition for a modification of the restrictions which would permit a

reasonably assured annual delivery of the volume set out in the original contract. To date, these petitions of the Union Gas Company have been unsuccessful and in August, 1951, the Federal Power Commission ruled that owing to increased demands for natural gas in the United States it was "not in the public interest" to allow the export of gas to Canada on a "firm basis at this time". The Federal Power Commission stated, however, in dismissing the application of the Union Gas Company, that they did so "without prejudice".

Owing to the unsatisfactory conditions which the Federal Power Commission of the United States placed on the export of natural gas to the Province of Ontario, it is now evident that in order to obtain adequate supplies of natural gas on a long-term basis, it will be necessary to obtain supplies of gas from the Province of Alberta and in this connection I am pleased to say, that negotiations are presently underway for the establishment of an all-Canadian pipe-line from the Western Provinces to the Provinces of Ontario and Quebec. It should be noted, however, that the building of such a pipeline cannot be undertaken until the reserve in the Province of Alberta are sufficient to justify the export of gas".

During the course of the past six months, the hon. Prime Minister (Mr. Frost) and myself, have endeavoured to bring this to the attention of the public, and to the attention of the Federal Government, that Ontario needs natural gas to ensure its expansion. When you have a province like Ontario,

to which the world is looking for supplies of our metals and other natural resources for defence needs, not forgetting our expanding economy, it is important that we be supplied with an adequate amount of energy whether it is in the form of Hydro-Electric Power, whether it is in the form of natural gas, or other forms. It is expedient to look to the future as we see the present need for power in this province.

I must congratulate the hon. Prime Minister (Mr. Frost) for having introduced into this House, Bills which will bring to the fore the beginning of the St. Lawrence Seaway and the production of power to meet the evergrowing demands in this province. We realize we are going to need power in this province, and energy of some nature. We are going to have to tap the supply now found in western Canada, and bring it to eastern Canada to meet the evergrowing expansion of this province of Ontario.

I am going, with your permission, Sir, to read to this House two letters I have written, one to the hon. Minister of Mines for Canada and one to the hon. Minister of Mines for Alberta, on the subject of natural gas and the policy of our Government, regarding a Trans-Canada pipeline. As you know, in the province of Alberta, where natural gas has been discovered in

increasingly large quantities, the Natural Gas Conservation Board of Alberta have taken this position, that they must ensure to the province of Alberta sufficient natural gas to meet the needs of that province for thirty years. They have set this figure at four trillion cubic feet, and that will probably increase with the increase of industry in the province of Alberta. At the present time, it is our opinion that the province of Alberta can provide eight trillion cubic feet. In order to increase that picture, to develop those resources, requires considerable sums of money and to carry out this work and drill these wells, it is going to be necessary for Alberta to export gas. The needs of the province of Alberta will probably change and these companies will be able to carry out their continued exploration.

Just recently, Saskatchewan has discovered natural gas and the picture is changing rapidly as the days go by.

There are three or four important propositions placed before the country to-day. I have been approached by two different companies, Trans-Canada Pipelines, and Canadian Delhi, laying before me their propositions for a pipeline from the Alberta fields into eastern Canada. I will read the letter written

to me, following their presentation of the case by the President of the Trans-Canada Pipe Lines, the only Company so far which has applied for the rights for a permit to build a pipe-line to eastern Canada. He says:

> " Confirming our conversation of Friday last, I would like to outline briefly the basic reasons why we believe that Ontario and Quebec must look to Alberta for adequate supplies of natural gas.
>
> We will supply you within a few days a memorandum on the natural gas situation and the inadequate Texas supply to meet the potential market in the United States. It is our considered conviction that there is neither sufficient gas in Texas to supply the North Central and Eastern United States market adequately nor is there any likelihood that the United States Federal Authorities would permit long term, non-interruptable export of Texas gas to Canada while the American consumers still need gas. It is obvious that Eastern Canada cannot depend upon the usual form of export license which the Federal Power Commission is empowered to grant, namely an interruptable export which must be cancelled upon demonstration of unsatisfied markets in areas in the United States through which the pipe line passes.
>
> Our market study in Ontario and Quebec indicates an initial market of over 300 million cubic feet per day. This, we are confident, will grow to 500 million cubic feet per day within the first five years and within ten years to one billion cubic feet per day. It would not be in the best interest of Eastern Canada to

accept an initial supply of gas from the United States of 250,000,000 feet per day when there is little likelihood of that being increased and indeed a likelihood of it being decreased.

The gas pipe-line from Alberta to Eastern Canada following generally the main line of the CPR serves the majority of Canadian residents. It has been estimated that such a line would have 5,000 people within reach of the pipe line for every mile of main transmission line. This compares with an average of 600 persons per mile of main transmission line in the existing pipe-lines of the United States. Both railroads are strongly in favor of the Canadian gas line, having in mind the freight-making possibilities from new industries along the pipe-line.

It was with these thoughts in mind that our Trans-Canada Project was conceived. We believe that when these factors are considered the governments of the provinces and dominion will strongly support the project. At the present time there is some danger that if Eastern Canada does not indicate its active support for the Trans-Canada Project, action may be taken in the next few months to permit the export of an initial quantity of gas from Alberta to the United States West of the Great Lakes".

As I said in the beginning, before reading this letter, the situation in Alberta is that the Conservation Board of the province indicated that they will not grant an export unless the supplies and the immediate needs of the province have been met for thirty years in advance. Our information is, at the present time, that sometime this month or next month,

the province of Alberta will grant an export permit for gas to some other sections of this continent. When this decision is made, there are five companies planning to take gas into north-western United States and the Pacific Coast and one to Eastern Canada. There is a third project which will bring the gas from Alberta through Saskatchewan to Winnipeg, south into Minnesota and the middle-western States. In view of these facts, and in view of the fact that this decision will be made by Alberta sometime this month, in view of the fact that Eastern Canada is short of gas and are going to be short of energy in the days to come, it is important that we place our case before the people of this country, to indicate the government's position and to place our needs before the province and before the Dominion. The final decision as to wheter the pipe line will come through this section or not, will be made by the Dominion Transport Board.

As a result of the studies of our Department and to indicate the policy of the Ontario Government in this regard, because we are strongly in favour of the Trans-Canada Pipe Line, I will read to you, these letters which I have already mentioned in order that you may see the trend, the policy and the course we are following.

I was in Ottawa in January and had a discussion with the hon. Minister of Mines for Canada and when I returned, I wrote this letter in connection with the situation:

"Dear Mr. Prudham:

Upon returning to my Office following the discussions which I had with you in Ottawa during the week of January 21st, I have given the problem of obtaining an adequate and long-term supply of natural gas for the Province of Ontario very careful consideration and wish to once again stress the fact that an all-Canadian pipeline appears to be the only solution, particularly since it was only a few months ago that the Federal Power Commission of the United States denied the application of the Panhandle gas to the Province of Ontario. As time goes along, it becomes more apparent that the requirements within the borders of the United States will never be met and consequently we here in Canada would be ill advised to place our dependence on supplies of natural gas from the United States even if there exists a reciprocal arrangement for the export of Alberta gas to the North-Western Section of the United States.

The problem which now is of vital importance to not only the Province of Ontario but I should think also the the Province of Quebec and to a lesser degree to the Province of Manitoba and possibly Saskatchewan is the establishment of an all-Canadian pipeline from Alberta Eastward to Eastern Canada at an early date. As you probably know, at the present time, certain financial groups are

working for and here in Ontario obtaining franchises for the establishment of pipelines, distribution lines for natural gas from the United States via Texas Panhandle Pipeline. It seems to me that it is not desirable at this time to have transmission pipeline projects under way which may later on seriously interfere with the establishment of an all-Canadian transmission line and its markets.

With reference to the exportation of natural gas from Alberta, I appreciate the fact that until such time as the Natural Gas and Petroleum Conservation Board announce the results of their recent Hearing, that neither the Alberta Government nor the Federal Transport Board will be in a position to deal with this question. We do, however, fully realize that the reserves presently available in the Province of Alberta will not be sufficient to justify the export of gas to the West coast as well as Eastward to the Provinces of Ontario and Quebec. At the same time, it is my desire and that of our Government to do everything within our power to obtain substantial volumes of Alberta natural gas on a firm and long-term basis at an early date.

During the past year, I have met with officials of Trans-Canada Pipeline (Canadian Delhi Company) and Pacific North West (Fish Group) Companies, and each of these Companies have carefully outlined their proposals for the establishment of a transmission line to bring natural gas to the Provinces of Ontario and Quebec. Unfortunately, the market in Ontario and Quebec is not large enough to justify two transmission lines and therefore, it must be decided at a very early date as to which line will supply the Eastern

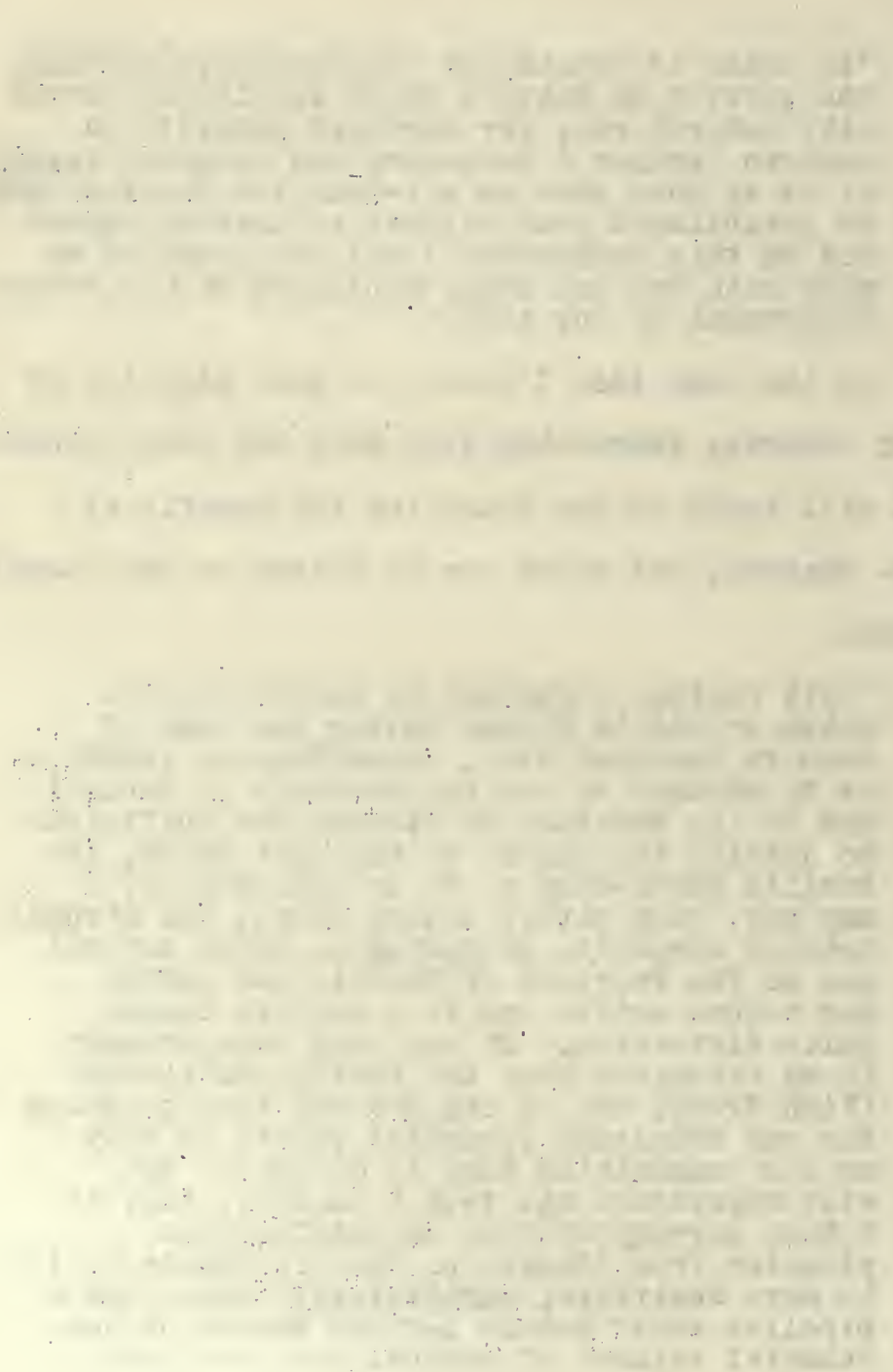
Canadian market. When in Ottawa during the week of January 21st, I announced to the Press that the establishment of an all-Canadian pipeline from Alberta to Eastern Canada would offer Eastern Canada a much more dependable and assured supply of natural gas, particularly during times of stress or war and would, therefore, assist in developing a free and healthy exchange of natural resources within the Dominion of Canada. I also understand that the Department of Defence Production in their Confidential Report, "The Natural Gas Industry", May, 1951, support and favour the Canadian pipeline route".

(Take "D" follows)

> "In order to obtain for south-western Ontario the portion of Ontario which is already served with natural gas, for northern central and eastern Ontario a long-term and adequate supply, it is my hope that an all-Canadian pipeline may be established from Alberta to Eastern Canada and in this connection I will be prepared to meet with you and other Ministers of the Federal Government at any time."

At the same time I wrote the Hon. Minister of Mines of Alberta, expressing very much the same opinion, which I will table in the House for the benefit of the hon. members, and which can be placed on the record, in Hansard.

> "With further reference to the discussion which we had in Ottawa during the week of January the 21st last, regarding the question as to whether or not the reserves of natural gas in the Province of Alberta are sufficient to justify the export to the West Coast, the Pacific North-West or to Eastern Canada, I may say, that within recent weeks, the struggle betwwen companies proposing to bring natural gas to the Province of Ontario and Quebec has become active and to a certain degree quite disturbing. It has just been brought to my attention that the Pacific North-West (Fish Group) are at the present time pressing for and obtaining franchise rights in many of our communities here in Ontario. You will appreciate the fact I am sure, that as I have already stated, an all-Canadian pipeline from Alberta to Eastern Canada would be more desirable, particularly since such a pipeline would assure Eastern Canada of substantial volumes of natural gas on a long-



term basis and also promote the exchange of natural resources and manufactured products within the Dominion of Canada. As you probably know, the Federal Power Commission last Fall, denied the Texas Panhandle Company permission to export natural gas on a firm basis to the Province of Ontario. In fact, this restriction on the export of natural gas has been in force since 1946 or 1947 and it would now appear that we here in Ontario would certainly be ill-advised to place any confidence in a supply of natural gas from the United States even if there exists a reciprocal arrangement for the exchange of natural gas with the United States.

As mentioned above, we are extremely disturbed over the fact that the Pacific Northwest (Fish Group) are at the present time actively engaged in obtaining franchise rights from cities, towns and communities here in Ontario. This certainly will create a serious problem in the event a Canadian pipeline is established from Alberta to the Province of Ontario and Quebec,and consequently I should like to take steps in the very near future, to place before the citizens and municipal representatives of the Province of Ontario the true facts relative to supplies of natural gas for the Province of Ontario. In order, however, to meet this situation, and to take a definite stand as to the question of the establishment of an all-Canadian pipeline, I wish to once again have your support for the establishment of an all-Canadian pipeline from Alberta to Eastern Canada and of course for the export of Alberta and possibly Saskatchewan natural gas to Eastern Canada, rather than to the northwestern United States.

I wish to express my appreciation for all the courtesies which you have shown to me and to officers of my department, and to assure you that I will do everything within my power to obtain for the Province of Ontario via a Canadian pipeline, substantial volumes of Alberta and possibly Saskatchewan natural gas on a long-term basis."

In connection with the natural gas problem, and thinking in terms of Canada and Ontario as a whole, there is no question but the advent of large supplies of natural gas to the Province of Ontario, travelling through the northern section of this Province, and pouring its energy into the mines and operating mills of that section, would add greatly to the development ofthat section of the Province. Secondly, it would meet the needs of the scarcity in Western Ontario, where there is no question but a scarcity exists.

When you think of Hamilton, for instance, supplied by manufactured gas, and the city of Toronto, supplied by manufactured gas, and when you think that in the whole of western Ontario the total volume which could be used there, as far as we can estimate, would be 25 billion cubic feet of gas, and that in the city of Toronto, as near as we can estimate, there would be used 25 billion cubic feet of gas, and that Northern Ontario could use approximately 25 billion feet of gas, and estimate that the markets in the Montreal district could use another 25 billion cubic feet, there is no question but that we have a great market in eastern Ontario for natural gas.

Now, speaking, for instance, of the cities of Toronto and Hamilton, where manufactured gas is used; by bringing this gas in from the West, it would reduce the cost to the consumers in these cities by nearly 50%. At the present time, a man heating his home -- and I refer to an ordinary-sized home, costs him about $400 per year. If this gas is brought into this city from the West, in line with present conditions, the same man could heat the same home for $200.00. I think every hon. member in this House will agree that if it is possible at all, we should encourage the Dominion Transport Board, the Dominion Government and the Government of the Province of Alberta, to see we get an adequate supply of gas in this section of the Province. And I think, if that can be arranged, there is no reason why we cannot supply to the Eastern Canadian markets this ever-increasingly important product, which would add to the growth of the whole Dominion, in the development of our natural resources, which we have in such abundance.

I was reading an editorial in one of the Lakehead papers, in which was quoted a statement made by Mr. Cyrus Eaton, Chairman of the Board of Steep-rock Iron Mines Ltd., to the effect that if natural gas

was made available to the Steeprock Iron Mines, there would be no question about the development of a steel plant in that portion of the country.

Speaking from memory, Mr. Speaker, I believe the International Nickel Company, uses about one million tons of coal per year. Twenty thousand cubic feet of gas equals a ton of anthracite coal, and figuring on that basis, it would mean that one industry alone, could eliminate the import into Canada from the United States of the required anthracite coal and would use two million feet of gas per year.

Add to that the steel industry at the Soo, and the pulp mills which have developed all through the north as the result of the policies of this Government, then you will see what an impetus it would give to that section of the country, and also what it would mean to the citizens of Toronto, Hamilton, and all of Eastern Ontario.

These communities in Western Ontario which are not now served, would find a great development, and I think, Mr. Speaker, the policies we are following and trying to encourage, would mean a great deal toward Canadianism, and mean much to the Province of Ontario, in fact, to every citizen of Canada.

MR. WM. HOUCK (Niagara Falls): Mr. Speaker, I wonder if I may ask the hon. Minister (Mr. Gemmell) a question before he leaves the subject of gas.

How much gas was imported from Buffalo to Fort Erie and Niagara Falls in 1951, and if it was a greater amount than was imported in 1950?

MR. GEMMELL: I will have those figures for you in a moment. I may say to the hon. member for Niagara Falls, that for the first time, I believe, in eleven years, there was a shortage of gas in the system which served the area described. That will show the hon. member (Mr. Houck) the desirability of importing an extra supply of natural gas.

Another matter which has come -- not to light, exactly, but on which public attention has been focussed in the last few months, but which is really not anything new, is the question of the mining lands in this Province. I think this was focussed largely because of the announcement in the press that the Abitibi Power and Paper Company had acquired, or were carrying on negotiations to acquire, certain parcels of land formerly owned by the Grand Trunk Pacific Railway, and it was going to be used for mining purposes. Most of this land had never been opened to prospectors. This caused some concern to the prospectors

particularly, and has brought into focus the whole question of whether our mining act in this Province, under which patented lands are held in fee simple, is adequate to meet the situation as it exists to-day.

I will make a brief statement to the House, and try to clarify, for the hon. members who come from the areas in which this problem exists, the situation tending to show some of the problems we are up against. The statement I will make to-day will be brief because I intend to have the whole problem placed before the Mining Committee of this House, so they will understand the great difficulty involved in this province.

Ontario is one of the oldest mining provinces in the Canadian Federation. That is so because year after year, for the past half-century, its mineral production has led that of any other sister province in Canada.

The laws of this province which made it possible for an individual, a group of individuals or companies to acquire land for the purpose of developing the minerals thought to exist therein, have, for the greater part, been most liberal in scope. These laws were created to speed the development of the Province, to get industries going,

to attract people here so that the vast areas which comprise Ontario would become productive, and that an increasing number of people would flock here and find root.

In a sense our law-makers did not err. Up to a degree their way of thinking has borne fruit. But we are faced to-day with what I believe is the result of a weakness in our legislation affecting mining lands.

To-day, in this province, hundreds of thousands of acres of potential mining lands are held by individuals, groups of individuals or companies, of which no work is being done to search for possible mineral riches. I will go so far as to say that on many of the patented lands presently out of the reach of the Crown, that no prospecting or development work of any kind has ever been done since they have been handed over to their owners in fee simple.

Let me here give you an example of what has happened in Ontario in this particular case. I refer to the granting by the province, practically at the dawn of its history, of mining rights to vast tracts of land we now believe have a potential value. I will quote from some of the remarks made by Harold

C. Rickaby, Deputy Minister of Mines for the Province of Ontario. These remarks he made at the annual convention of the Prospectors and Developers Association here in Toronto last week. Here, in part, is what he said:

> "Two months ago there appeared in the press an announcement that the Abitibi Power and Paper Company had acquired or were carrying negotiations to acquire certain parcels of land formerly owned by the Grand Trunk Pacific Railway and that they would commence this coming season to prospect these lands for mineral deposits. The size of the area, some 635,000 acres, comprising ten blocks of varying sizes naturally gave rise to some queries as to how it had been acquired combined with the circumstances under which it has apparently lain dormant with respect to its mineral possibilities for many years. Since these blocks of land have never been open for staking in the usual way, there was naturally no encouragement for the ordinary prospector to explore them.
>
> The history of the alienation of these lands goes back to the beginning of the century when railway construction was being so actively pursued. Chapter 18, 4 Edward VII, 1904, of the Ontario Statutes being an Act respecting aid to certain railways, provided among other things a subsidy in the form of a land grant to the Grand Trunk Pacific Railway of 6,000 acres for each mile of railway constructed from a point on Thunder Bay to the intersection of this line with the main line of the Eastern Division of the Grand Trunk Pacific Railway. Section 13 of this Act provided that the lands should be granted in fee simple and should include 'all ores, mines, minerals, base and precious, and all powers, rights and privileges appertaining thereto' with certain reservations which are of little moment for the purposes of this paper.

The ten blocks of land lie along the railway line connecting the Lakehead with Sioux Lookout and the grants were completed in 1909. Portions of some of these blocks adjoin or form parts of belts of rocks we now know to be favourably located geologically speaking for mineral deposits. Apparently the railway concerned made very little effort to explore them, but it seems difficult to see what steps the province could have taken to compel them to do so. It is encouraging to know, however, that plans are apparently now under way to actively explore them under new ownership.

Several other large grants of land have been made by the province to aid in the construction of railways as follows:

The Algoma Central Railway by an act passed in 1900 was granted a subsidy of 7,400 acres for each mile of its railway to be constructed. This grant also carried with it the mineral rights but in this case the company set up its own regulations under which it issued permits to prospectors to stake out and acquire mining lands similar to the procedure under the Ontario Mining Act. In 1941, by an agreement between the Province and the Railway Company, 38 of these townships were returned to the Province and were thrown open for staking as soon as certain details covering certain parcels that had been alienated were attended to. Only three of the 38 remain to be thrown open, and it is hoped to have them made available for prospecting in the very near future.

Two other land grants of substantial areas in the form of subsidies were made -- one to the Algoma Eastern Railway comprising 16 townships amounting to 702,404 acres and one to the Canadian Land and Emigration Company of ten townships in Haliburton County comprising 402,979 acres. Both of these grants like the others included the mineral rights. In the case of the former company, six of the townships, lying east of Chapleau,

> were transferred to the Northern Ontario Lands Corporation and on these exploration has been carried on by mining companies for a number of years. In the case of the latter company the mineral rights on a portion of the lands have been returned to the province. With respect to all of these land grants except that of the A.C.R., there has been no encouragement for the ordinary prospector working on his own to prospect the ground and in some cases there has apparently been no arrangement made by the owners to explore them."

I was going to mention some of the patent lands in this Province, which we feel are now lying idle. I will read a portion of the statement which has to do with the discussions which have taken place. It says:

> "I would now like to direct your attention to some other mining lands of the Province which may be said to be inactive. In 1946, at the annual meeting of this Association, a well-known engineer-prospector, J. C. Honsberger, put forward some suggestions with reference to Ontario's method of acquiring and holding mining lands. He went to considerable trouble to show the situation in this province as compared with that of our sister province of Quebec, pointing out that the Quebec system was better designed to ensure the active development of mineral potentialities than that of Ontario. I believe that those suggestions gave rise to much discussion at the meeting, but there was apparently considerable difference of opinion on the matter among the prospectors and no action was taken at that time. Is it possibly not time that we should again study Mr. Honsberger's suggestions along with other means of encouraging mineral exploration in Ontario?

> It is admitted by everyone that the main object of laws governing the acquirement of Crown Lands for mining purposes should be to encourage the finding of new mines and new ore deposits. The ideal mining law is one that places a premium on the development and search for new mines and at the same time discourages the holding of mining lands with little or no attempt at exploration.
>
> At the present time this Province has on the tax roll some 30,000 parcels of mining lands which would aggregate some 1,200,000 acres or 1,875 square miles."

While this may sound like an enormous piece of land lying inactive, I believe it is in reality only about one-half of one percent of the total land available for prospecting in the great north country. It is our hope, when the Mining Committee meets, that all the problems involved, and any changes in the Act, will be focused upon and brought to the attention of all the hon. members concerned, so that we may have a full discussion on the matter. It is my hope that by the time this Legislature meets again, the problem of mining lands in this Province may have been thoroughly studied, and a new Act may be introduced which will eliminate the holding of patent lands in the Province, by people who are either very inactive, or have done nothing to bring the land into production in any shape or form.

It is not an easy problem, because in some

areas you have the holding of large blocks, on which there is being done a great job in connection with the production of minerals in this Province, while in other areas, you have smaller tracts, where no attempt has been made to negotiate the sale of them, or do anything with them. It is my hope that by this time next year, we will have an Act prepared to bring to this House, which will eliminate this problem, and yet not affect the sacred rights of people who now hold patented lands.

I hope that each hon. member of this House who is interested in this subject will attend the meetings of this Committee, and we could all have the benefit of such knowledge as you may have on this subject. I see sitting in front of me the hon. member for St. Patrick (Mr. Roberts) who has had considerable experience, as have a number of other hon. members of the House, and we hope to have the benefit of your experience in our discussions. It is a difficult problem. It is not a problem we can rush into without a great deal of thought, and a great deal of consideration.

In closing, Mr. Speaker, I wish to emphasize again that we in the Department of Mines and this

Government hope to bring in legislation at the next Session of this Legislature, which will bring to an end the difficulties which were causing concern to so many people in this country.

I referred briefly to Northern Ontario and the gas pipeline, and the fact that the importation of natural gas would mean a great increase in the industrial capacity of this great Province. I have referred to the problem of mining land. All the factors enter into the industrial growth of this great Province of ours, which is expanding at such a terrific rate, and to which the world is looking in regard to its national defence needs, and I am sure that every hon. member here views with great satisfaction the leadership of the Hon. Prime Minister (Mr. Frost), which he has given in this field,and the leadership he is giving to the people of Ontario to ensure that Ontario will continue in its growth, and that industrially it will improve to meet the needs of the people of this Province.

(Take "E" follows)

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I was very interested in the hon. Minister's (Mr. Gemmell) talk about bringing Alberta gas to Ontario. Would he mind telling the House what is the proposed cost of laying this pipe line from Alberta to Ontario and the size of the pipe line to be used? I think that would be interesting.

HON. MR. GEMMELL: Mr. Speaker, in reply to the question of the Leader of the Opposition (Mr. Oliver) the information that we have available at the present time is that this pipe line will require, I believe, three-quarters of a million tons of steel, the pipe line will be 30 inches in diameter to Winnipeg and 24 inches through Ontario, and will cost, from the information I have, in the neighbourhood of $250 million.

(Page E-2 follows)

MR. D. M. KERR (Dovercourt): Mr. Speaker, it is with some timidity that I rise in this august body to make a maiden speech. I want first of all, with those who have already spoken, to extend here, sir, my congratulations on your being again elected to the position of Speaker.

Sitting back as a neophite -- I was going to say "amateur" or "novice", but realizing that the hon. member from Wentworth (Mr. Child) might find some difficulty in that term, I prefer to remain just a neophite watching what is going on. I must say, sir, that your position and your manner of handling this Assembly is indeed an intimation to one sitting back that the hon. members knew the Speaker whom they had elected.

I would like also to say that it is my wish for the hon Prime Minister (Mr. Frost) and the members of the Government that they may always be able to look to those on the Speaker's left with the same sympathetic attitude as those occupying that position have today.

I would like to extend also congratulations to the two new Ministers, the Minister of Public Works (Mr. Thomas) and the Minister of Education (Mr. Dunlop). Both of them have merited the promotions they have received and in their new positions their usefulness will be put to the test.

I am reminded that in my profession it does not matter what kind of speech I make, it is liable

to come out a sermon. Therefore, if I begin to moralize, you will understand that it is not being done intentionally. I do hope that the hon. members of this House will extend to me that greatest of all Christian gifts, that of charity, and realize that if there is anything in what I have to say, in any way reiterates the topic of a former speaker, it is purely coincidental.

I have had many serious thoughts as to the responsibility of an hon. member of this House. The other day I read an article by George Matthew Adam that seems to, in my mind at any rate, reveal what our responsibility is. May I be permitted to read it?

> "In a free land every citizen has his responsibility to perform if he desires good government -- as Abraham Lincoln put it "government of the people, by the people, and for the people.' No one is to be left out if it is a free government, but this kind of government must have its alert watchers all the time. Government, first of all, belongs to the people -- not they to the government. A stock owner in a corporation is concerned with how this organization is run and keeps an eye upon all its workings. If irregularities or crookedness is evidenced, that stock owner does something about it and that promptly. We, as stock holder citizens, every individual, should be just as concerned. We cannot have good government when we pay no attention as to how it is run. No government can ever be perfect but it can be kept honest. If the people's representatives elected by them do not perform honestly, they can be voted out and they always should, regardless of any party affiliation. Nothing in a free government is so important as the privilege of the ballot. Those who

> do not faithfully use it do not deserve good government. Always register and vote at any election or forever hold your tongue should be the procedure. The moral and spiritual fibre of a nation begins its deterioration the moment a citizen neglects his duty to the government. Nothing is more sacred in a democracy than the free privilege of the ballot. All of us suffer humiliation when an elected representative of ours violates his oath of office.
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> "William Ewart Gladstone, the great English statesman, once said: 'It is the duty of the Government to make it easy for the people to do right and difficult to do wrong.'
>
> "We are witnessing these days too many instances where governments have been making it too easy for some people to do wrong. The corrective process still remains with the individual in government. It is his government and he can take pride in that fact."

Mr. Speaker, it has been my privilege to represent the riding of Dovercourt for four years on the Board of Education of the City of Toronto, and I would like to take issue with statements made in this House by one hon. member at least that it was about time the municipal government should have a representative on a Board of Education. As an elected representative to a city body we both stand on the same ground, and we both have the same recourse to the electors who have elected us. For people to state that one public body is going wild in spending public money, is a poor football to be kicked around.

I feel at home on the subject of education

and if my remarks deal with that more than others it will be because it is one subject that is very close and dear to me. One need not be in an executive position to detect the problems that our young people have to face today. We are all interested that they should have the greatest possible opportunities in life and I think in Canada -- and in Ontario in particular -- these opportunities are best applied through our educational system.

Our Government has in the past years of office done its utmost to increase these opportunities and to extend them equally to all. On the level of subject learning; improved organization, provision of free equipment, and revolutionary changes in the subsidy system have eminently bettered educational facilities and made them available to more people, more children, in Ontario.

The hon. Leader of the Opposition (Mr. Oliver has a clause in his motion in reply to the Speech from the Throne, deploring the failure to provide adequate assistance for education to municipalities. May I quote that in 1944 the grants for education were $8,700,000; in 1951, $46,900,000, and for 1952 most likely they will be larger when the budget is presented.

We are all interested in the lowering of the tax burden on municipalities and though education costs have risen seriously in the past ten years. I think that in the list of grants I have just

read, the municipal taxpayer has received at least some assistance.

---Mr. Speaker retired from the Chair.

---Mr. O. F. Villeneuve (Glengarry) in the Chair.

Today the aim of education is to develop the potential ability and skill of every child attending school. We have devised special kinds of education to suit special abilities and means. For example, there are classes for crippled children, classes to meet the needs of deaf and hard-of-hearing children, sight-saving classes for children with limited eyesight, and auxiliary classes for slow learners. Our commercial, technical and vocational schools provide specialized instruction in almost every subject you can think of. The trend then is shifted from standardized education to attention to individual need.

Along with this has gone greater freedom for teachers and more emphasis on local initiative, and may I digress here, Mr. Speaker, to draw the attention of the hon. Minister of Education (Mr. Dunlop) to the fact that in the City of Toronto a new Normal School is long overdue. Those who know the history of the old Normal School and how the Federal Government has taken it over and then later turned it into the Ryerson Institute, will remember that the Normal School was bought from the City of Toronto as an old public school, and at the present time it is altogether too small and inadequate

to train the vast number of young men and women teachers who are going out into our schools to mold the life and well-being of our children.

In the past, the Department of Education set the course of studies, supplied the textbooks and set the Entrance examinations. Today these things are left almost entirely to the discretion of the local authority. There is no reason whatever for artificial barriers between public and secondary schools and when the Entrance examinations were abolished, this Province made a great step forward educationally. Education has been attempting to fit the individual, to fit his responsibility in the modern world. In fact, I think I can say that the main purpose of education has been democracy, that the basis of our democracy is respect for the Government. So our educational system has come to emphasize the importance and the training and development of individual personality.

All this is good. But in the last half of the twentieth century we have come to a fresh stage in man's development. The past fifty years has been an age of great scientific discovery. I need only mention three of them -- the invention of the aeroplane and jet propulsion, the discovery of radio and television, the splitting of the atom and the development of atomic energy. These discoveries have forced new problems upon us and they have revolutionized our attitudes towards them. The discoveries and

inventions I have spoken of have one thing in common; they have tended to reduce the size of our world in terms of space and time. There was a time not so long ago when one cared little in Canada what happened in China or Korea or even in Russia, but today things are different. The darkness separating us from other people has vanished. We live side by side with our neighbours whether we like it or not and everything they do affects our lives. IN this shrunken world we are called upon to face new and urgent problems -- problems of government, problems of welfare, problems of peace and problems of war.

The challenge of today is directed against the very basis of our system -- against that respect for government that we cherish so dearly, and against the educational system that tries to develop the capacities of the individual to the very utmost. We are pledged to resist this totalitarianism which is indeed a survival of the age old despotism out of which man should have grown long ago. We have taught ourselves how to live at peace within our community. We need to learn how to live at peace in a united and democratically organized world. Thus, we have a greater emphasis upon the subject of social studies. Our children are now learning more than ever before about the lives and problems of people in other lands. By film, and I hope in the near

future by television.we will be able to place in our schools something to bridge the gap of time and space that separates the people of our world from the people living next door or in another country.

(Take "F" follows)

May I extend my congratulations to the hon. Minister of Labour (Mr. Daley) and particularly for his statement made yesterday before this House. Some of the most beneficial labour laws in the world pertain to this province of ours and they are products of the present administration. Some of them, such as Workmen's Compensation, have been accepted as models the world over. I would suggest to any hon. member of this House if they have any doubts about it, take a trip down to University Avenue and visit the offices down there and see the competent manner in which this part of the Department of Labour is handled. This does not mean we tout ourselves as implacable enemies of capital as some parties advertise themselves. We believe capital and labour deserve square deals. There can be no doubt that one of the prime moves for modern social reform and welfare has been the movement of trade unions, they have by united effort brought themselves just treatment. In doing so, they have raised living standards for all and made life more secure for others as well as themselves. Great credit must go to trade unions and to their leaders for these successful acts making the lot of all Canadians better than it was before. These unions are not only important socially but the number of their members make them a formidable, political

force as well. Here I think we find the answer to all the time and money spent by certain parties in trying to prove that we, of this Government, are anti-labour. This propaganda is an insult to the intelligence of the men and women who, by united effort, hard and continuous, have raised themselves and their fellows so far above conditions, even those that existed only twenty years ago. These same parties, however, have some difficulty and make a large amount of noise with little thought of how to do more or better for the working men than has been done by the present Government.

I believe that labour and capital are partners, I believe they should share problems, not create them for one another. The Ontario Labour Relations Board understands there should be the best feelings between these two giants, neither of which we can do without and neither of which can do without the other. Three of the most important functions are to improve working conditions, to extend protection to the worker and provide a just, efficient method of settling disputes as far as possible before work stoppages result.

I might digress and say that this province is indebted to the hon. Minister of Labour (Mr. Daley) for the manner in which he has in the past exemplified the working methods of his Department when labour and

management could not get along.

Apprenticeship is now aided and supervised by the Department of Labour. Boys entering trades are assured of a good working condition during their apprenticeship and that by provincial regulation and inspection. Trade courses are provided in the city of Toronto and Hamilton. The Factory, Shop and Office Building Act assures healthy and pleasant working conditions for all workers by provincial inspection. Every worker in Ontario is entitled to vacation with pay unconditionally. The stamp system takes care of the seasonal, transient and casual worker. As we were told yesterday, the clinic out at Malton operated by the Department of Labour is doing a masterpiece in the work of rehabilitating those who have been unfortunate in their work.

May I pay my tribute to the hon. Minister of Lands and Forests (Mr. Scott) for the excellent work done in his Department. Ontario forests from 1800 on, were attacked ruthlessly, firstly, for timber for the British Naval building in the Napoleonic war; then for lumber to hurry the fantastic expanding need of a growing United States. This same market now dominates our forests but the demand has changed to one for pulp and paper to feed the massive United States presses. However, the slaughter of Ontario's resources continued

on unabated. In 1943, our Government's first act was to stop the heedless policy of the preceding administration by cancelling seven or eight very unwise agreements. The following steps have all been in the same direction, towards protecting and conserving one of the largest forest resources in the world. Small Europeon countries have realized long ago that only by sound conservation and cutting practices can they hope to retain and use their forest wealth. Many of our resources were considered endless and this has proven to be tragically wrong.

From its election in 1943, the present Goverament had one of the world's largest staffs in forest management. In this it has been criticized for not cutting enough, for cutting too much; for making money, for not making money, and for every conceivable fault that could be twisted out of its successes.

It should be unnecessary for me to cover the vast amount of work that is being done in pest control, fire fighting and all the rest of this, by this great Department. This Department is in safe hands and the hon. Minister (Mr. Scott) is doing a good job.

In conclusion, Mr. Speaker, I want to present, as most of the hon, member have, some pet theories of my own. I would like the hon. Minister of Highways (Mr.Doucett)

to consider the possibility of lifting the speed limits in towns and cities so that the local municipalities and the local authorities can reduce the speed limit in our school areas. It is a matter of great concern to the parents and to the citizens, that a man does not break the speed limit and yet cause hazards for children around these areas. At the present time, it is impossible for any city to tone down the speed, and I think something might be done along this line in the city of Toronto in particular. I am sure the example set by some of the larger cities in Canada and the United States might be followed.

I would like to say also that we have three classes of people to-day who are suffering a great inconvenience. I would like to make an appeal to the Federal Government that something might be done for our Old Age Pensioners in the matter of cost of living. When $40. a month was set as a standard, it might have been adequate, but it certainly is not adequate to-day. When the scale of rates was drawn up and applied, they were necessary, according to the Government. They certainly do not apply to-day, and the cost of living should be added there. Also, in our own field, I would make an appeal for the cost of living to be added for those in receipt of Mothers' Allowance.

There has been a lot of talk about how much education costs and I would like to draw a comparison and ask you to compare your bill of taxes where the cost of education is computed. Having compared it, compare the depreciation on your car, surely the lives of our children are more important than that depreciation. I understand that you can buy a 1951 car to-day for $600. under the price last year. I might say there are no tax bills that are carrying a $600.00 cost of education on them.

With particular reference to my own riding, I hope this Government, as soon as we receive the green light, from Ottawa, in regard to steel, will do something to eliminate the two bad railway crossings within the precinct of my riding, one in particular on Dufferin Street -- there are two of them on Dufferin Street, one north and one south, but the one on the north in particular is a hazard. The city of Toronto has spent a lot of money in widening this street so it would be a traffic highway out of the city, but right at this railroad crossing, the pavement narrows and nothing can be done until an underpass is made.

Mr. Speaker, I want to conclude by saying that we, on this side of the House, the majority of us at any rate, are one hundred percent behind the

Government on the other side. As the hon. Attorney-General (Mr. Porter) says, it is nice to sit on this side and look over into the faces of friends. We have not got an enemy to look at at all, only the backs of their heads.

MR. J. A. PRINGLE (Addington): Mr. Speaker, in rising to make a few observations and contribute something to this Debate, I do not do so with any thought in mind of prolonging it to any great extent. I have in mind that I have the privilege to represent that great rural constituency of Frontenac and Addington. I am surrounded by the County of Leeds, the city of Kingston, Prince Edward-Lennox, Renfrew and Hastings, and each hon. member from those constituencies have made a contribution to this Debate. Each one of those hon. members represent ridings with urban populations. My riding, of course, has a purely rural population and I think I would be remiss in my duty if I did not have a few things to say in the interests of the people of the County of Frontenac and the County of Addington.

For the benefit of those hon.members who have just come into this House, I thought I would like to tell you something about the County of Frontenac. Many of you know the County because many institutions are situated in that part of the province. It is a

County that probably has more different kinds of activity,-farming, lumbering, trapping, educational centres, military centres,-than any country in this province. I doubt if there is any county in the province that has a greater number of things going on than the County of Frontenac. We have there, as the hon. member for Kingston (Mr. Nickle) told you, the great nylon plant, the aluminum plant, the Ford Motor plant. I did have the privilege of being the representative of the aluminum plant until the 1st of this month when the hon. member for Kingston (Mr. Nickle) took over. He is going to be the Comptroller of that wide area which houses so many fine, new people who came to this country in order to make a living in the days of the depression, and settled there, and are now associated with the aluminum plant. They are all very prosperous and a fine class of people. I would say to the hon. member for Kingston (Mr. Nickle) that they have been good to me in every election in which I have run, and I am sure they will be good to him.

Mr. Speaker, I was glad to hear the hon. member for Kingston (Mr. Nickle) speak earlier and with such weight in connection with the St. Lawrence Seaway. Of course, the southern part of my riding

borders along the St. Lawrence and it is a pleasure to know that that great power development will come to Ontario. It will be of great benefit to every part of this province, particularly beneficial to the riding which I have the privilege to represent, because we border along the St. Lawrence River and Lake Ontario.

Why my County is called"Addington", I never could tell you. I have two counties, the County of Frontenac, there are 13 townships, and in Addington, I have 5, but they still call it the riding of Addington. Perhaps they wanted to head the list so they used a name that started with an "A". In the northern part of that riding, it is a different picture. Up there, we go along with the old Portland road, a road built by the British government for the same purpose that Fort Henry was built,and it stretches into that country almost to Renfrew. We have different roads there, 38 highway, 41 highway, No. 7 highway and have a number of people coming into that picturesque country. I doubt if there is any part of this province that is more interesting. Those who have travelled by No. 41 highway will realize right away that it is very picture-esque and scenic, and has many possibilities for tourists and sportsmen. We are very proud of the northern part of the County although it is becoming a

non-revenue producing part of the County. Is there any other riding that is able to produce and hand over to the Government of this province well over $100,000. in American fishing licenses? That is what my riding was able to do this year, well over $100,000. in American licenses alone.

(Take "G" follows)

Therefore, I have no complaints to make to my good friend the hon. Minister of Lands and Forests (Mr. Scott), because I think he is doing a grand job. Of course, I am like my good friends who used to sit in Opposition and with whom nothing was ever good but "it did not go far enough and so I would like to see the hon. Minister of Lands and Forests (Mr. Scott) go a little father in the few things that confront that great area of land. During the first War, it was necessary, of course, to have timber and lumber, and at that time, we were just building highway No. 41, and a great many thousand feet of lumber was cut in the northern country and transported down that highway to various destinations where it was useful in war work. However, Mr. Speaker, I wonder if we are not carrying that a little too far. Our timber is being depleted very fast. These very large companies which come in there have wonderful mills, they have good working conditions, they pay good wages, they supply good food and good beds to the people who work for them; nevertheless, I would like to see a little halt to their operations, particularly in my part of the riding, and opportunity given some of the smaller mills, and the neighbours given a little more of this timber to cut. It is being depleted very fast in some areas, and it will be

difficult even to harbour deer, game, and other wild life if it is carried too far.

When I hear hon. members who represent ridings in the northern part of Ontario rise and tell about the thousands and thousands of acres of timber they have in that part of the country, I think sometimes we forget that we in southern Ontario have a bit of timber too. We will not have it much longer unless we pay a little more attention to it than we are paying. We must plant more trees than we are planting, we must reforest this country which we have here, because, particularly in those rough lands, there will be nothing left in about two or three years except rocks where the soil has been washed away. There will be nothing left for the natives to live on. The fur business has not been doing well, prices are too low. The tourist business is all that will be left for the people of the northern part to live on unless they are allowed to cut some of this timber to a greater extent. They stretch it out much longer than the large companies do, and while it is not being neglected, I rather think it is not getting the attention it should and I should like to see more attention paid to it.

I do want to commend the hon. Minister of Lands and Forests (Mr. Scott) for the grand job he has

done in fish hatcheries and in distributing fish throughout the country. Altogether, I think we have come a long, long way in the last eight years in protecting wildlife and developing those attractions which bring American tourists and American dollars, in the last few years. I well remember when the Hon. Mr. Dunbar was Minister of Game and Fisheries in the early days of this Government. Revenue was not very great at that time but it has become a tremendous revenue now and I am glad to say the hon. Minister (Mr. Scott) plows back a good share of it into developing those things.

HON. H. R. SCOTT (Minister of Lands and Forests): All of it.

MR. PRINGLE: All of it. Thank you. Now, Mr. Speaker, I want to say a few things to the hon. Minister of Agriculture (Mr. Kennedy). I see he is not in his seat but that does not matter; he has left enough landmarks in this Province to allow him a few days off if he is not feeling well. I would like him to leave one more landmark for himself. I complained today that we are not going far enough in these things. To my mind he is not going quite far enough in an amendment to an Act which he brought down here a few years ago, The Community Halls Act. I happened to be on the committee that considered that Act, and I remember when we gave this 25 per cent for building skating

rinks, recreation centres, community halls, etc. it made everybody happy and particularly did it make happy people out in the country and in small communities. The trouble is, donations are not as handy in the small communities as they are in bigger centres. When you get a little village of five or six hundred people it is a little difficult to gather too much money, so it was then and is now my feeling that in the case of these smaller communities that build $5,000 or $10,000 projects anyway, the Government should pay 50 per cent up to $10,000 for skating rinks, community centres or community halls and a graduating scale from there on, because there has been no Act ever put on the statute books of this Province that has done more to keep rural people at home and to keep rural boys and girls satisfied and thus help the juvenile delinquency problem than has this Act which the hon. Minister of Agriculture (Mr.Kennedy) sponsored and brought into this House. I wish he would give consideration to that suggestion because he intimated to me he thought it would be a good thing, and I believe he realizes the importance of decentralizing people. We talk about "decentralization" but if we do not do things like this we are simply centralizing everything and no doubt you have enough young people in your cities today, but if we do something to induce rural boys and girls to stay there it is much better for this

Province and much better for all those communities.

I wish I had been here yesterday because I always like to hear the hon. Minister of Labour (Mr. Daley). It made me feel pretty good, Mr. Speaker, to hear hon. members of this House rise and praise the hon. Minister of Labour. He has not always been getting this praise, you know. I remember a few years ago this was not the case, but now when he stands up here I have often thought that although I have never had an opportunity of receiving a lecture from a college professor, it has always seemed to me that he was like one; he acts like a teacher, he gets up here and tells us the real facts about things without any trouble or without pretending he is making a speech at all. When I heard the hon. member for Essex North (Mr. Reaume) the other day, it gave me great pleasure to see the hon. Minister (Mr. Daley) coming into his own because there is no one who could have carried on and settled those strikes like he did with his great persuasive qualities really coming into play.

However, there is one thing I would like to have him do too. I realize, Mr. Speaker, that it probably is unfair to ask industry today to dig down in their pockets to pay for something which happened fifteen, twenty or twenty-five years ago; it is just unfortunate those people were born twenty-five or thirty years too soon, but they were

working for wages in those days of two or three dollars a day, and they got hurt just the same as people working for fifteen dollars a day, and after awhile they became fit only for light labour. But we have no light labour out in the country, none whatever; all they have got is the task of chopping wood, there are no logs to cut, no shrubbery to look after or elevators to run; there is no light labour and they are at the mercy of the municipality and it weighs heavily on the municipalities, particularly those who are assessed only for $50,000, $60,000, $75,000 or $100,000. They find it difficult to take care of these people, who have to be kept warm and fed just the same as anyone else.

It is true that this new Act which our gifted chief has brought in for the benefit of those between sixty-five and sixty-nine is going to do wonderful things, but there are still a few people who are not as yet sixty-five, and while I do not take the position that it would be fair to punish industry or levy on them to provide that money today, I rather think there should be some way around that whereby some of these old people who are now getting $8, $10 or $12 a month, 15 per cent of one dollar and fifty cents a day, which they earned at that time, should be a little better taken care of than they are.

I heard the hon. member for Ontario (Mr. Thomas) mention that the other day. It has always

been in my mind and I believe we should give it some serious consideration. I expect it would take a tremendous amount of money to go into the whole thing, but we have not got to go into it on such a large scale as labour is today, but we could at least take some of the pressure off the municipalities' hands and give some of these poor old people a little better opportunity to live.

I assure you, Mr. Speaker, I shall be through in just a second. I am sorry, as you all are, about our hon. Minister of Highways (Mr. Doucett). Probably we never had a better Minister of Highways than the Hon. Minister (Mr. Doucett) and it seems too bad that he had this unfortunate accident and is not present in the House at this time. It is somewhat of a revelation, you know, to have so many hon. members get up and make speeches on such a wide range of subjects without one that I have noticed repeating anyone else. They have had their own thoughts and their own subjects to talk on and it is refreshing to hear so many different subjects discussed by so many of our own members. I am sure the hon. Prime Minister (Mr. Frost) must be very, very proud to have the vote of confidence which he received on Nov. 22nd and of those fine members with which he is surrounded today. I do hope the good work they have started will continue because we like to hear them.

I have a little worry, Mr. Speaker, about our four-lane highway. It does not seem to be getting along as fast as I would like to see it. There is a bad bottleneck between Napanee and Brockville, particularly from Kingston to Cataraqui along No. 2, and I do hope the hon. Minister (Mr. Doucett) has something in mind to clear up the situation in that section of the country this year. It has been spoken of now for a long time, and I hope there is something in the offing this year in connection with the four-lane highway.

Living as I do in the northern part of the riding, what they call "the sticks", I am greatly interested in lead-in roads. The highways are fine; we are glad to have them, but I am interested in having a road come to the back concessions by which one can get onto a highway. We well remember the Hon. Mr. Hepburn. When he was here it was the fellows in the back concessions for whom he was going to do something. He forgot all about them when he got into office, so it is up to this Government to take over and do it for them because the people in the back concessions, do not forget, are worthy of consideration as well as anyone else, and I do hope that in my riding something will be done, although I have been used as well as anybody and I have nothing to complain about along that line. It has been said it is the squeaking wheel that gets the grease, and I want to put it in the fore-front and keep it before the attention of the hon.

Minister of Highways (Mr. Doucett) that that country certainly needs roads. It is hilly country, a good share of it is sandy or rocky country and it is not easy to build roads; it costs a tremendous amount of money to do so, and municipalities with small assessments need a lot of help from the Provincial Government.

Mr. Speaker, I am finished. That is all I want to say. Our gifted hon. Prime Minister (Mr. Frost) told us the other day that he at no time was going to be complacent in this House. Even if he did have a big majority, he was still going to create and foster friendly relations with the Federal Government, and bring to the Province all those things which are our just due, give everything to the Dominion Government which justly belongs to them, and carry on as though we had an Opposition sitting across there -- we have an Opposition, you know -- on account of which he would have to "watch his step." I really believe that a Government which started out in 1943 as a people's government, which has continued as a people's government, which has administered the affairs of this Province with a view to the well-being of and in the interests of the welfare of these people, will still continue to do so for a long time to come.

MR. G.W. HANNA (Huron-Bruce): Mr. Speaker, hon. members of the Ontario Legislature and our hon. Prime Minister (Mr. Frost), it is a pleasure and an honour this afternoon to have the privilege of congratulating my friend the hon. member for London (Mr. Robarts) and my good friend the hon. member for Wellington North (Mr. Root) on the speeches they made on the Motion for an Address in reply to the Speech from the Throne.

I am very happy to receive that applause, and very happy to have been an hon. member of this House since 1943. It seems to me the new hon. members have missed a great deal. You should have been in politics long ago because the people of this Province feel that this Government has done a good job.

I would like to mention the new hon. members amongst the seventy-nine Conservatives who have been elected to this Ontario Legislature. This is a Legislature that will long be remembered for several things. One is the seventy-nine members; another is the fact that we have a new Lieutenant-Governor; we also had that great visitor from Michigan, Governor Williams.

To new hon. members, may I say I come from Wingham, Ontario, up in Huron. I have had some experience in municipal life, being Mayor of my town for some five years, and it is gratifying to have been able to come here after the last four elections and feel that this Government is getting stronger and stronger.

I should like also to pay a compliment to the Liberals who supported me. I am not one of those fighting men, I know how to handle them, and they have all been perfect gentlemen.

Passing on to the next row, I would just like to mention at this time our good friend the hon. member for Cochrane South (Mr. Grummett) and our good friend and hon. member for Ontario (Mr. Thomas). I believe what is left of the C.C.F. is maybe the best part of it.

And to the hon. member for St. Andrew (Mr. Salsberg) I would suggest that he should move out with MacLeod. Everybody likes the hon. member, when he is sitting nice and quiet.

I have forgotten to say a word to Mr. Speaker. I was so happy when he was elected at the last election because he is a grand Speaker for this Province.

I would like now to say a word or two to the "Ginger Group" over there. We have the fattest member in the House, and we have got the youngest member in the House, so we are very proud to be here and feel that we are of some importance, in this territory.

In 1943 we had good men. We have lost a lot of good men, good men have been defeated, but today, looking back over '43, '45, '48 and again '51, to you hon. members may I say it is a pleasure to be able to say a good word about the Conservative Party.

I would like to mention the late Hon. Russell Kelley today, and also refer to the late Doctor

Taylor. We have had some very fine men since 1943 and I hope you do not let us down. We have a lot of lawyers here, and I know they are going to need a little handling.

If you feel as I do, you will agree we cannot get along without the farmer, the man on the land, the man who builds the factories and the man who feeds the people. Today it is very important, and I like to hear the hon. Prime Minister (Mr.Frost) say: "I am one of the little people. I like to go to the Fall Fairs I like to come up to your conventions and steal all the votes; I like the people to come up and shake hands with me. That is the sort of people this Government consists of, and to you memberswho have been newly elected,I hope you will appreciate the kind of people you are associating with.

I am not going to say a great deal more, Mr. Speaker. I would like to mention something about welfare. I have a great desire to see the people of this Province get a fair deal. I think under this Government they have had an excellent deal and I think there is a better deal coming as we get bigger and stronger. As more people come into this promised land I feel this Government is willing to support and help every individual in the Province.

Security is a wonderful thing. The security of the people of your Province is your Province, and I

would like to mention at this time that the hon. Minister of Welfare (Mr. Goodfellow) has done a marvellous job.

(Take "H" follows.)

The Hon. Minister (Mr. Goodfellow), too, has taken care of people when things were rough. He has provided for the aged at the age of seventy, for assistance to between sixty-five and sixty-nine. I had two very nice letters, sir, to-day from two people in my riding who were entitled to the sixty-five to sixty-nine assistance and they were very thankful, as they needed the money.

Furthermore, I would like to mention the fact that this Government should see fit to look after the crippled children, persons from, say, eighteen to sixty. I believe that is good law. I believe it is what the people of this Province are looking for, and I know I would also like to say a word about the widows, comprising 58%, which this Province has. There is no finer group in the world than good Conservative women. So, I would like to mention that there are cases in my riding, -- one where a widow is left with three children and is without compensation. Her husband did not get a very large wage to start with, and if she gets compensation, she cannot get childrens' allowance. I would like to leave that with the Government to think over. It is only a suggestion, but I know it is a good suggestion and I know that the widows are deserving of the children's allowance, as well as

compensation.

I would just like to say a word to the Hon. Minister of Labour (Mr. Daley). The Hon. Minister has been in the limelight; he has been stealing all the thunder in the newspapers. He has done an excellent job. An old man came up to me in my town the other day and said, "If you see the Minister, just mention the fine job he has done; he has saved this country millions of dollars." So, may I pass that compliment on to the Hon. Minister.

The Hon. Minister of Municipal Affairs (Mr. Dunbar) has shaken hands with more people around the Royal York Hotel, I think, than anybody down there. He is very kind to people. He is an asset to any government and I hope and trust he has many years to live.

I would like to say a word or two about the heart clinic. I think I mentioned it last year. When you read every day in the papers about people dying of heart trouble, perhaps twice as many people as of cancer, I would like to bring that to the attention of our very important man, the Hon. Minister of Health (Mr. Phillips) who is in charge of the health of this Province.

However, I will skip that and go on to the fact that I would like to mention something about the Hon. Prime Minister (Mr. Frost). I do not want to get sentimental, but it does bring back memories to me when the Hon. Prime Minister mentions that sooner or later he is going to bring in his Budget. Then I think of that good-looking brother of his who used to sit up there with much pride and listen to his brother present the Budget. These are some of the things which happen around a building of this kind. We know he comes from a great family, with a great background. The people of this province have never seen anything like the result of the last election, and I can assure the hon. members that it was the Hon. Prime Minister (Mr. Frost) who secured fifty percent of the votes for each one of us.

I hope, sir, that I am not talking too long. I think maybe common sense is the scarcest thing in the world. I believe good salesmanship is a good thing, and I think the service we give the people of this Province, is something they are expecting of us.

I would just like to touch a minute on Travel and Publicity. In order to travel you have to buy a ticket, and perhaps to go to some other country and

find out what is going on in the world. In my case, I think travelling provides a great education, and our good friend the Hon. Minister of Travel and Publicity (Mr. Cecile) has been doing an excellent job but, you know, I tried to sell a little of Ontario down in Miami this year and I got quite a reception. I interviewed the Miami News, told them what a great province we had, and they said they knew more about Ontario than they did about Canada. I felt quite proud of that. I will say that salesmanship, organization, common sense, governments which can stay in power and serve the people as the people should be served, are the important things.

I could go on here for some time, because there are so many things to say. I would like to speak of the young farmers and the Loan Act which this Government is considering, where the young farmers can get $20,000 to $25,000. It will cost him that to get started, but you must realize, hon. members of this House, that you cannot get anywhere without the farmers. I have found that out in my riding.

I could go on and talk about the warble fly or the Bangs disease or the Hon. Leader of the Opposition's farm, or the hon. member for Niagara

Falls (Mr. Houck), but to-day I just want to bring home to you the fact that there are so many things in which the Hon. Prime Minister (Mr. Frost) has shown us so much leadership, and in which he has been doing a grand job in so many ways. I believe it is important that the hon. members of this Legislature should try to help him and to take off some of his load and burden. I am quite happy about his committees on Rent Control and on Conservation, and the other different committees. I think it is a good idea for the people of this province; I think it is a good idea for the hon. members of this Government.

I cannot go on forever. I would like to say a few words about the speech by the Hon. Minister of Mines (Mr. Gemmell) this afternoon. I am a great booster for Northern Ontario. I hope some day to see it. I do not know whether I will or not. I hope to see the day when Northern Ontario will have as many roads as Western Ontario and I would like to pay the Minister a compliment; I think we have the right man in the right place. He seems to have a good knowledge of all the extensive legislation which will come before this Legislature sooner or later, and for that, I wish to congratulate the Hon.

Minister. If there is going to be a war, I would not want anybody better than the Hon. Provincial Secretary (Mr. Welsh) to lead us.

We will come to education for a minute. I would like to say a word about our new Minister of Education (Mr. Dunlop). He has a terrific reputation for being a high-class man throughout this Province, and to my mind that is what the teachers and the children of this Province are looking for. I am not saying anything about the former Hon. Minister, the Hon. Dana Porter. I think he did a marvellous work, but, you see, it takes all kinds of people to make a Government, and it takes all kinds of people to make friends.

I hope I have not missed too many. I would like to say a word or two about the Hon. Minister of Public Works (Mr. Thomas). I would like to say to him, let us spend money in building, let us have more homes, let us have more parliament buildings, let us create work and we will never have unemployment. That may sound very silly. I was at the luncheon to-day for Mr. Diefenbaker -- three-quarters of the audience were women, so I felt quite at home -- and the statement was made that there are 350,000 people

out of work.

I think this rental commission is excellent for the people of the Province, with the leader we have in the person of the hon. Prime Minister (Mr. Frost). It is a great thing to have people say something nice about you, and that is what they do when I go back to my riding, so it makes me very happy to be a member of this great Government, as I have seen it improve from 1943 to date.

At this time I cannot go on without saying a word about my two seatmates here. They are very important and very nice people. They spend a lot of money on me.

I think with those few remarks, I will return to my subject of good roads. Good roads are important. That is what the farmer wants; he wants some place to go, and do not forget that they are building up the Federation of Agriculture. Do not forget the seed fair, the junior farmer -- and I would like to ask you who live in Toronto to never forget the rural centres. If you have any money to spend, spend it in the rural areas.

I hope that I have not talked out of turn to-day. I know I have not even looked at my notes

yet.

Mr. Speaker, in conclusion I wish you all the very best.

(Take "I" follows)

MR. A.G. FROST (Bracondale): Mr. Speaker, I wish to say how happy I am to be in this 24th Legislature. I would also like to pay a tribute for the courtesy and kindness of those employed in this building who are conducting the business, welfare and common good for the people of Ontario.

May I also congratulate the hon. Prime Minister of this Province (Mr. Frost) for his wonderful leadership. Mr. Speaker, I wish to congratulate the hon. Prime Minister on the wonderful asset he possesses, his ability to call each hon. member of the Assembly by his first name and to make them all feel so much at home in such a short period, with his friendly attitude. I wish to thank, Mr. Speaker, each hon. member of this Assembly for his friendliness.

Mr. Speaker, I would like to say something about Bracondale, a really important riding in Ontario, a riding with a wonderful background, a riding which dates back to the early days of the Province, a riding which I have represented as alderman. The only barracks within 100 miles of Toronto is situated on the water-front or south end of my riding, and that is Stanley Barracks. There are many buildings of solid stone and many of these walls are 4 feet thick and all hewn out of solid rock, Dovetail Joints fitted together, prefabricated in England and then shipped to Bracondale district to be re-erected on the old Fort York grounds. Many moats surround several of these buildings. Earthen barrackades were also thrown up around many

other buildings. These barrack residences were occupied by many families who grew up in the buildings, erected as homes for the early pioneer soldiers, who were then stationed in Stanley Barracks in Toronto. Many noted generals received their early training in these barracks under the jurisdiction of the Royal Canadian Dragoons, and many who served their country well in the First World War received their training at the barracks. served 8 months as a runner under Colonel Collins and Colonel LePaney before enlisting for service overseas.

During the period of the Second World War, when homes were at a premium, these barracks were turned over to the City of Toronto and accommodated at one time 133 families who found it impossible to secure other housing. These families are now located in other parts of Toronto, and many of the buildings were torn down, while others of historical importance remain and are being reconditioned for historical reasons.

To the east of Stanley Barracks are temporary barracks which were used by thousands of troops and citizens from Norway during the First World War, thereby receiving the name of Little Norway. During the Second World War, many thousands of men for the air crews were stationed and trained in Little Norway, my son being one of them. These buildings are now being used as emergency housing by over 100 families.

To the west and surrounding some of these buildings

are over 100 acres of land occupied by the largest annual exhibition in the world, The Canadian National Exhibition, having an attendance of over 2 million people each year for the last few years. Every country in the world has goods on display, and for several years space has been at a premium despite the 100 odd acres of ground and buildings worth many millions of dollars. Our grandstand, which is still in my riding, was erected at a cost of over $3 million dollars and will seat 28,000 people. The platform for entertainment by three shows at one time is the largest outdoor platform in the world.

Confined in the exhibition grounds is the noted Coliseum which sponsors again the largest annual fall or stock fair in the world. Cattle, horses and other animals, fruit and vegetables and flowers are brought here from most remote parts of the world. Attendance here is the largest in the world for a show of its kind.

Now, Mr. Speaker, don't think I am boasting. I am just quoting true facts!

On the way north we will come upon one of the three city-owned incinerators which takes care of about 60,000 tons of garbage per year. Then there is the only city-owned public abattoir in Bracondale, which slaughters yearly about 45,000 cattle and about 107.000 calves, hogs and lambs.

To the south, or on the waterfront, in front of the exhibition grounds is Canada's largest aquatic

course, being approximately 1½ miles long. George Young, the world's greatest swimmer, and many other noted athletes have competed here for both swimming and boating.

Some 40 odd years ago a breakwater was built along the waterfront at a cost of several millions of dollars. To the east and south of this waterfront is one of Toronto's most wonderful assets -- our Toronto Islands -- accessible only by ferries, which exclude all car and truck fumes, and which provide a wonderful outing for the poor and also families in higher brackets who like the fresh lake air but cannot take a trip farther afield. According to history, these islands were formed from the Scarborough Bluffs. The water current from Lake Erie through Lake Ontario and to the St. Lawrence River had a return eddy, which as the Scarborough Bluffs were being eroded was washed back to form these islands, which are separated from the mainland by Eastern and Western Gaps. Now here is one place Toronto requires assistance. These islands are not only used by Toronto people, but also many people from the suburbs and further out enjoy themselves on these fresh water islands, with miles of fresh water shoreline and with every facility possible, including yacht clubs, several more of which are in the making, many ball grounds, lawn bowling greens, rowing, canoeing, and swimming. During these last few years the water has risen to such a height that the marvellous picnic grounds which are used by millions of people, and which is a haven for the children, is being washed away.

(Take "J" follows.)

Hundreds of families reside on the islands for 2, 3 or 4 months of the year, and during the housing shortage many families have been forced to remain there all winter. The city supplies tugs during the winter months which cost the citizens of Toronto thousands of dollars, to assist these unfortunates who are unable to locate other housing.

All these facilities are being jeopardized by the high water and erosion. Because of the use made by so many people outside the city, it is unfair to ask the city to pay the whole cost of the seawalls. Our estimated cost of adding 3 feet to the present walls for added protection is about $80,000, and about 2 miles of new seawalls would cost the city taxpayers more than double that amount, totalling almost a quarter of a million dollars for your friends' and my friends' happiness and satisfaction.

To the east is the St. Lawrence which has been talked about for a long time. I wish to congratulate our Premier for his leadership in entering into the present workable condition of the St. Lawrence Seaway and Power Project. This stupendous work requires many hours of thought and action and I know I voiced the congratulations of the people of the Province, and especially this Assembly, for the farsighted and untiring efforts of our hon. Premier, which will open up waterways for the whole of Canada and permit us to get the ore from Alaska to Europe in a modern fashion and will

be a great saving to the people of the world. This development of power for Canada is another wonderful asset which must not be lost sight of during the development of the seaway. I have wandered far away from my beloved riding where I have lived almost 60 years. Let me return to my home ground again. If we travel north in my district we come across Trinity Park. In the centre is an old and revered building which dates back many years as one of Canada's early educational training centres. Trinity College has served as the background and training centre for many world-noted educational professors and great men of learning, men who have made a great name for themselves and are a great advertisement for the City of Toronto and its educational centres.

As we go north, and still in Bracondale, we come across Christie Street Hospital. During the First and Second World Wars thousands of boys found a real haven and home as they were returned, many very badly wounded in fighting to protect you and me. Under the capable leadership of Colonel Sidney Lambert, an amputatee of the first war, the boys of our army received a wonderful reception and

(Page J-3 follows)

real Christian treatment. It being in a central location it was easily accessible to many of the boys' relatives and friends, and very close to entertainment of the very best kind, and religious services every Sunday.

That building is still serving a most useful purpose. At the present time 710 elderly people are, you might say, living the life of Reilly in their declining years. They are all so happy with the kind of treatment they are receiving and the entertainment brought in by outside organizations every week, that many of them admit they are happier now than they have been for a long time. Those who wish to spend their time resting may do so in very pleasant surroundings. Those who wish to window-shop, which many of them have been so used to doing all their lives, can do so by taking a very short walk. Those who wish to travel to the centre of the city may do so very easily, as a bus goes almost past their front door every few minutes.

During the period the welfare have been in charge, one wedding has taken place, and another one is to take place this week. The participants of the first wedding party were both over 70 years of age. The lady was entering the wedding field for the third time but this was the gentleman's first venture. They are both very happy. That makes four couples who have taken up residence together in Lambert Lodge. Another couple will be married this week; in fact tomorrow, Wednesday the 19th.

They did not know each other previously but have just met since coming to Lambert. Both are over 70 years of age. One couple stopped me on the street to tell me how happy they are in Lambert. I and many others hope and pray that the building will never be used for any other purpose. They are all living in happiness and I am afraid that if the older people are moved out to the country, as many think they may be, although they would naturally have more fresh air, there is a big possibility of many of them dying of loneliness, being too far from their friends to visit them and being away from the environments they have been used to all their lives. We all appreciate the fact that as we become older we find it hard to change our environment, our friends and our living conditions.

Our Lambert Lodge Home for the Aged has a waiting list of about 800 people, waiting to secure residence in this Home. The only restriction is that each one must be over the age of 65. No means test is or has been necessary.

Down through the centre and eastern boundary of Bracondale ran the old Garrison Creek crossing Bloor Street from what was then Christie Pits, and I used to swim in this Creek -- and, I may say, sometimes in the nude. While sand was being removed from these Pits, a skeleton of an elephant was uncovered and removed, which is now in our Museum. The Pits were 25 feet below street level. This

is now called Willowvale Park and is retained as the city's second largest park amphitheatres.

Now we travel a little farther to the north, and still in my riding, we come to the Red Chevron, a former Oddfellow's Hall which is now occupied by about 200 men returned from the First World War. They all appreciate what the Government is doing for them there. The food and environments of all these men is of the best and all are very happy, many of them so crippled they have to be wheeled around, and others will never be able to get out of their beds again. This building is on Davenport Road, a street which is far from straight and running north and south in some places and east and west in other spots. In fact, the story goes that this street was once the border or shore line of Lake Ontario. The one side is much higher than the other side, which gives one every impression of an ordinary shore line. The word "Toronto" means in the Indian language, "A Meeting Place" and we all know that Toronto and its environments was controlled by different tribes of Indians who used to gather together with their Chiefs for their Pow-wow in Toronto, using as their route the street now called Davenport, which at that time, when coming from the west, according to my information, was the dried-up shore line. It runs from near Weston on the Northwest to Yonge, Church and Bloor Streets on the South East.

Now that brings us to Bloor Street, which is one of Toronto's highways. The traffic conditions are definitely becoming worse every day for our almost 700,000 people. If we can, and I know we will, receive assistance from my Provincial friends, we can to a great extent overcome some of our difficulties. A super highway across the city will relieve our streets considerably by allowing those travelling possibly from centres as far as Quebec on the East to Windsor on the West to simply pass through the city, leaving the streets to be used to a greater extent by those stopping locally. The Humber Bridge relief is one of our "musts."

Mr. Speaker, I trust I haven't bored you with a too lengthy description of one of our ridings, because I believe there is so much of interest to us all. I thank our patient and long-suffering listeners, the hon. Premier, the Members of the Opposition and my Party, who have listened so patiently to my rambling remarks, and may our good Lord, Who sees all and works for the benefit of all, prolong the working powers and life of our conscientious Christian leader, the hon. Premier (Mr. Frost) and may he be in at the development and opening of the big undertaking - the St. Lawrence seaway.

(Take "K" follows.)

HON. L. M. FROST (Prime Minister): Mr. Speaker, before moving the adjournment of the House, to show my appreciation and respect for the hon. Leader of the Opposition (Mr. Oliver), I am going to table, pursuant to his motion, the answers to questions 16 and 17.

To-morrow, Mr. Speaker, we will go ahead with the Debate on the amendment to the amendment to the Motion in reply to the Speech from the Throne. It has been arranged so that the Debate may be concluded and the vote taken before six o'clock to-morrow night. The concluding speakers will be the hon. Attorney-General (Mr. Porter) and the hon. Leader of the Opposition (Mr. Oliver).

I move the adjournment of the House.

Motion agreed to.

The House adjourned at 6:05 p.m.

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ONTARIO

First Session

of the

Twenty-Fourth Legislature

of the

Province of Ontario

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Toronto, Ontario, February 21, 1952, et seq.

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Volume XX

Wednesday, March 19, 1952.

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HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Chief Hansard Reporter
Parliament Buildings
Toronto

T W E N T I E T H D A Y

P R O C E E D I N G S

of the

FIRST SESSION OF THE TWENTY-FOURTH LEGISLATURE, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, ON THURSDAY, FEBRUARY 21st, 1952, et seq.

Hon. (Rev.) M. C. DAVIES, Speaker,
Presiding.

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Toronto, Ontario,
Wednesday, March 19, 1952.

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The House having met. 3 o'clock p.m.

Prayers.

MR. SPEAKER: We are very pleased today to have as visitors to the Assembly representatives of six different schools from various parts of the Province, pupils from Central and East Burlington Public Schools, the Dunnville Public School, Humewood Public School, Drury Public School in North York and the Chatham Vocational School.

It is always a delight to all of us to welcome the students of the schools of the Province to the Assembly and we sincerely hope that their stay with us

will be one of pleasure and of profit.

While we have quite a number of pupils from the Grade and High Schools of the Province here, I wonder if I might take you today to school as hon. members of this House. We are coming to the close of the debate on the Speech from the Throne, and in view of the fact that we have a very large number of new hon. members in the Legislature, I think you will agree with me that I have allowed what might be considered by some to be a great deal of latitude in the matter of speeches.

I am not here as one in tremendous authority nor trying to create a state of perfection, but there are certain very simple rules of procedure which have been developed in the history of parliaments through the centuries and I, with all humility and diffidence, would like to point out to the hon. members the very simple method of conducting debates, and I bring it now to your attention as we are coming to the close of this most important and very interesting debate which we have had on the Speech from the Throne.

It has been a delight to me to have heard so many of our newer hon. members enter into the debate and I believe that all of us will agree that the contributions have been very fine, regardless of their political implications.

In view of the latitude allowed, I think it is well that I might take the opportunity for just a few moments this afternoon to point out two or three very simple procedures, which we do have. They will all be

found in Lewis' very valuable, readable and interesting book.

The first thing is the form of address. I know that the hon. members are anxious to include everybody in the House in presenting a speech, but may I draw your attention to the fact that the only form of address is, "Mr. Speaker". We show the proper deference to the Prime Minister and the Leader of the Opposition and to the various members of the Cabinet and so on, but fortunately or unfortunately, rightly or wrongly, the only one the hon. members have the right to so address is "Mr. Speaker", so in the preamble wanting to include everybody is just a little bit irrelevant and just a little bit out of order. You will find that in Rule 14 in Lewis.

We do not say "Mr. Speaker, hon. Prime Minister, hon. members of the Cabinet, hon. members of the House and ladies and gentlemen." All of that is "out". Just be satisfied to address the Speaker and you should get along without any trouble.

Then, with reference to hon. members of the House, we have had some very, very interesting references in that hon. members of this House in the past three or four weeks have been called by their first names or by their last names, and up to the present, I have let you "get away with it". The correct form of reference is "the hon. member for Wentworth" or the "hon. member for Beaches". You cannot say the "hon. member for Windsor-Walkerville",

manner. Will you please be good enough to use the proper form of address in referring to an hon. member, "the hon. member for such-and-such a riding".

The same is true, of course, of our Cabinet Ministers -- "the hon. Minister of Highways" or "the hon. Minister of Labour" -- much as we may want to make reference to "Mr. Doucett" or "Mr. Daley". Please do not use this against me because I am using these names, but we just confine the reference to the portfolio a Minister holds.

It is customary that the speaker -- I mean the one addressing the House -- must be in his own place. We have had no trouble along that line this year, thank goodness! Last year we had some speakers who were very eloquent and they got a little overly enthusiastic and used to wander up and down the aisle. We have not had that this year. Thank you very much for that. You must be in your place before you can address the Chair. If you want to address the Chair, do not attempt to do so from some other hon. member's place, because you will not be recognized.

The same is true when we come to the vote this afternoon, if there is a vote. You must be in your place and once the bell has started to ring you are not allowed to leave the Chamber and you cannot come into the Chamber after the Whips have made their appearance in the House. You must be in your own place in order to have a recorded vote.

I have also allowed a good deal of latitude in the reading of speeches. That again is because a great many of you have come onto the floor for the first time, and I know from experience it is a very, very nerve-wracking experience. It is generally customary -- and indeed we encourage it -- to have speeches well prepared but should be as extamporeously delivered as possible. I am not referring to the budget speech which the hon. Treasurer (Mr. Frost) will bring in tomorrow because I do not think any of us would expect him to speak extamporeously on such a vital and important matter.

I used to say, when I was trying to train chaplains in the Air Force that it took a great deal more time to prepare and deliver a sermon of seven minutes than to write a thirty-five minute sermon and read it. I wonder if the same might not be true of some of us in our debates, and I wonder if we could not get our speeches into shape where we could speak from the heart and with sincerity.

We do want the House to retain the dignity which is a great tradition of this Legislature, and to follow the proper procedure and the rules to the very best of our ability. I appeal to the hon. members to be tolerant with me if I use the gavel once in a while. I think I have only used it three times this year. You are most fortunate in that respect. If occasion arises and I do check hon. members, it will be in a spirit of kindness and with the very sincere effort

on my part to assist all of us in the proper conduct of the procedure of the House.

I am sorry to have taken so long in this very simple explanation.

HON. G. H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I may safely say that they cannct refer to me any longer as "old George".

MR. SPEAKER: I thought we were going to have a debate between the Speaker and the Minister of Municipal Affairs (Mr. Dunbar), but I might say I am sure any reference to the hon. Minister in those terms is one of endearment and affection.

Reading and receiving petitions.

Presenting reports by Committees.

Motions.

Introduction of Bills.

THE DOWER ACT

HON. D. PORTER (Attorney General) moves first reading of a Bill intituled, "An Act to amend the Dower Act".

He said: Mr. Speaker, this amendment is designed to broaden in some respects the type of case in which an application might be made to a judge to bar a dower. At the present time, for instance, under the Act as it is, where a wife has been living apart from her husband, in such circumstances as will entitle her to alimony, and where the wife is of unsound mind and confined to hospital, an application might be made to a judge. It is proposed to extend the grounds

of such application in the following four ways:

1. In any case where the husband and wife are living apart.

2. Where the wife has not lived in Ontario since the marriage.

3. Where the whereabouts of the wife is unknown.

4. Where the wife is of unsound mind and confined as such in a hospital.

Those are the main features of this proposed Bill and this will also be referred to the Legal Bills Committee.

MR. A. CHARTRAND (Ottawa East): Will the hon. Minister (Mr. Porter) answer a question? Will the hon. Minister tell us how many provinces in Canada have done away altogether with the Dower Act?

MR. PORTER: I believe they have in some of the Western provinces. I have not here a list of all the jurisdictions where they have done so and, of course, there have been representations made for some years to do away with dower entirely, but the Government does not feel that would be a desirable move at the present time under conditions of life in this Province. We are proposing this amendment to make it possible in certain cases for an application to a judge where the husband may be put to an unfair disadvantage where it is quite impossible for him to obtain a bar of dower by the wife, and if in the discussions in the Committee there may be some suggestions

for any further broadening in this respect, of course, that will be considered and we can deal with that in due course.

Motion agreed to; first reading of the Bill.

HOUSING DEVELOPMENT ACT

HON. W. GRIESINGER (Minister of Planning and Development) moves first reading of a Bill intituled, "An Act to amend the Housing Development Act".

He said: Mr. Speaker, the Bill which I have just introduced, an Act to amend The Housing Development Act, is the first part of our continuing attack upon the problem of housing. I propose also to introduce two other Bills today, one having to do, among other things, with urban redevelopment and the other with the housing problem in rural areas. My colleague, the Minister of Public Works (Mr. Thomas) will introduce a Bill having to do with the establishment of young farmers.

I might say at this point that this statement will include the other two Bills which will be introduced in a few minutes.

(Page 9 follows)

There is no doubt that the greatest single factor that will accomplish the building of the greatest number of houses in the shortest possible time is private building. Therefore, every step that can be taken to encourage private building will lead to the shortest and soundest way towards the ultimate solution of the housing shortage. This was amply borne out by the steady increase of house building in Ontario following the introduction of your Government's second mortgage loan plan in 1948. So long as this plan continued, first under this Government and later absorbed by the Federal Government, but withdrawn in February 1951, the building trades worked to the limit of their capacity, and the number of houses built increased from year to year.

On or about that time, overall credit limitations were imposed by the Federal Government and these perhaps have been the main reason for the subsequent sharp decline in commencing new housing. Whether the policy of the Federal Government may or may not be justifiable as applied to the whole field of credit, its effect upon house building has been serious. It is with this condition in view that the Government now is providing for wider measures to concentrate upon certain other aspects of the housing problem -- to assist in some further ways the private builder, as well as to encourage rental housing on a wider scale.

There are many new principles and plans

involved in this legislation and,as is customary, I will give a detailed account of the purposes of each of my three bills in moving second reading. However, I believe a brief explanation would be helpful to the House at this time and so, Mr. Speaker, with your permission, this I will now give.

The fact is that all the bills which I have mentioned, including the Bill for the establishment of young farmers, are related. They are designed to strengthen the position of the Province, its partner the Dominion,and the municipalities in providing housing over a wide field. In conjunction with existing Provincial and Federal legislation, they constitute a comprehensive and several-pronged attack on the problems of providing sufficient and satisfactory housing accommodation for our people.

. Land Acquisition

From our experience under the provisions of existing legislation and more particularly under the partnership provisions of The Housing Development Act, we have found that private builders are handicapped in their building operations for lack of subdivided and serviced land in the majority of municipalities in which they operate, and we have been handicapped in our efforts to repair the situation by reason of the fact that the Department lacks the power to take expropriation proceedings where it is necessary to do so.

Accordingly one of the amendments in The Housing

Development Act is for the purpose of giving the Department the necessary powers of expropriation, having due regard to the rights of landowners.

2. Rental Projects

We have further found in our dealings with municipalities in regard to rental housing projects that many of them object to sharing capital costs and possible operating losses even though their share has been but 7½ per cent of the whole. Other municipalities have taken the position that full recovery rents, which have been the basis of the present agreements, are too high for many of the families in need of rental accommodation. After consulting with our Dominion partner we are prepared to meet both situations. The Province is prepared to relieve the municipalities from participating in capital costs and possible losses. The Dominion and the Province are also prepared to relate rents to income subject to a rental floor which will limit any losses to be borne by the two governments.

In return for these concessions we will ask the municipalities to accept something less than, or not in excess of the full taxes being offered to them under present agreements. The Housing Development Act is accordingly being amended to permit such an arrangement.

3. Industrial Participation

We have also found that industry in many cases is locating in rural and other small municipalities

which are in no way geared to meet the housing problem.

Amendments in the Housing Development Act accordingly provide for industrial participation with the Partners and with municipalities in such cases.

4. Urban Redevelopment

We have also found there is need for legislation which will enable municipalities and particularly the large municipalities, alone or in partnership with private capital, to redevelop their deteriorated areas from both a residential and industrial standpoint.

Consequently, one of the amendments proposed in The Planning Act will repair this deficiency.

5. Rural Mortgage Loans

We have also found that in operations under the mortgage section of The National Housing Act there has been an unwillingness on the part of lending institutions to participate with the Dominion in financing new housing in rural villages and hamlets and in other rural areas.

To remedy this I will beg leave in a few moments to introduce The Rural Housing Assistance Act under which there will be incorporated a Crown Company under the name of The Rural Housing Finance Corporation to make conventional or National Housing Act first mortgage loans on residential property in rural villages and hamlets and in other rural areas.

What I have said will, I hope, demonstrate very definitely that your Government intends to use every means at its command to stimulate the construction of homes for private ownership at moderate prices and upon terms which the average citizen can afford. At the same time it will do everything that it can to make rental housing available for families with children who require rental housing accommodation.

Mr. Speaker, I am sure all hon. members of the House will appreciate that the problem of Housing, as I said at the outset, is a many-sided problem. There is no one plan which will meet the situation in every municipality. What suits one locality is not suited to another. It will therefore be appreciated that what we are undertaking is a comprehensive attack upon both the Housing and Community Planning problems of our Ontario communities on a scale unmatched elsewhere in Canada and indeed in most other jurisdictions.

Motion agreed to: first reading of the Bill.

(Take "B" follows)

MR. SPEAKER: Introduction of Bills.

PLANNING ACT

HON. W. GRIESINGER (Minister of Planning and Development), moves first reading of a Bill intituled, "An Act to Amend the Planning Act".

Motion agreed to; first reading of the Bill.

FINANCIAL ASSISTANCE IN THE BUILDING OF HOUSES IN RURAL VILLAGES AND HAMLETS

HON. W. GRIESINGER (Minister of Planning and Development), moves first reading of a Bill intituled, "An Act to provide Financial Assistance in the Building of Houses in Rural Villages and Hamlets and in other Rural Areas".

Motion agreed to; first reading of the Bill.

ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPN.

HON. F. S. THOMAS (Minister of Public Works), moves first reading of a Bill intitued, "An Act to Incorporate the Ontario Junior Farmer Establishment Loan Corporation for the Purpose of Assisting Young Farmers".

He said: The Bill which I have just introduced is, insofar as I am aware, an entirely original Bill. After an exhaustive search, both in Canada and in the United States, I have been unable to find any jurisdiction which has legislation comparable to this Bill entitled, "The Ontario Junior Farmer Establishment Loan Corporation" for the purpose of establishing young

farmers.

The original idea for this Bill was first brought into clear focus when a delegation from the Ontario Junior Farmers and Junior Institutes appeared before the Select Committee on Conservation in 1950.

In the Report of the Select Committee on Conservation, in Chapter 16, entitled"the Economics of Conservation," Section 3 deals with "Youth and the Land." On pages 78 and 79 in the Conservation Report, a summary of questions asked the Junior Farmers, together with their replies, is very clearly set out. Before quoting from this, I would like to make this observation and I know other members of that Committee, sitting in this House, will entirely concur when I say that one of the most interesting days we had was that day when the Juniors of Ontario placed before our Committee their views on the agricultural industry of this Province. These young people were asked by our Committee to make a survey taking representative Counties.

In a brief presented by the Junior Farmers Association of Ontario, it was recommended that the Ontario Legislature look into the possibilities of providing a similar type of assistance as the Veterans' Land Act for young men who have proven experience on Ontario farms and are seeking to purchase farms of their

own. As a follow-up to this recommendation, the Committee suggested that the Junior Farmers Association conduct a survey in different sections of the Province to ascertain how many young men would take advantage of such a scheme if one were set up, and to find out what percentage of the total capital involved in starting farming should be loaned to them. The survey was conducted through Junior Farmers Clubs in the nine Counties of Dundas, Lanark, Hastings, Simcoe, Bruce, Kent, Oxford, Lincoln and Halton. The following is the summary of this survey, in which 300 questionnaires were submitted:

"1. Q: Are you planning to operate a farm?
A: 92 per cent answered 'yes'.

2. Q: If 'yes' do you have all needed funds?
A: 78 per cent. required additional capital.

3. Q: Would you use a financing plan, such as V.L.A. if available to you?
A: 79 per cent. were in favour of a financing plan.

4. Q: For the type of farm you plan to operate in your district, what capital would you need for (a) land and buildings, (b) livestock, (c) machinery and equipment, and (d) household goods?

A: This varied considerably by areas and the local types of farming which prevail, but for those who stated their requirements to start farming, the averages were:

(a) Land and Buildings.. .....$ 9,486.

(b)	Livestock.....	$ 1,856.
(c)	Machinery and Equipment.....	2,428.
(d)	Household Goods.....	633.
	Total	$ 14,403.
(e)	Average Capital Available	$ 4,692."

This involves a credit of approximately $10,000. which is more than present lending agencies will advance to establish young farmers.

This representative survey, which I have just quoted, clearly indicates the problem of young people trying to establish themselves on farms in Ontario. This Section on "Youth and the Land" concludes with the following recommendation and I quote:

> "The Government of the Province of Ontario should recognize the responsibility of providing long term credit through some agency to meet the problem of assisting young experienced farmers to establish themselves on farms".

During the Summer and Fall of 1951, the Government of this Province took the above mentioned recommendations under consideration, and in an address given by the hon. Prime Minister at London, Ontario, on November 6, 1951, the hon. Prime Minister stated, in part, as follows:

> "A Crown Corporation will be established to provide loans to those persons in agriculture who desire to engage in farming as a full-time occupation on their own farm. This will be of particular assistance to farmers'

sons and other young people who, under present conditions, find it financially difficult to become established".

I would like to draw attention at this time to the main features of this Bill. On second reading, all hon. members of this House will have an opportunity of discussing it quite fully, but at this time, on first reading, I think it advisable to focus your attention on the principal points in this Bill.

(1)- This Bill provides for the setting up of a Crown Corporation entitled, "The Ontario Junior Farmer Establishment Loan Corporation." This Corporation shall be composed of three members who shall be its Board of Directors. To carry out the objects of the Corporation a sum of money, not exceeding, in the aggregate $10,000,000. at any one time, shall be provided.

(2) - Out of monies at the disposal of the Corporation, loans may be made for the following purposes:

(a) the acquisition of land for agricultural purposes.

(b) the erection and improvement of farm houses and farm buildings essential to production;

(c) to pay off charges existing against land at the time of acquisition by the borrower under a will or by descent;

(d) to pay off encumbrances;

(e) to consolidate outstanding liabilities

incurred for productive agricultural purposes;

(f) for the purpose of providing drainage;

(g) to purchase live stock;

(h) for such other purposes relating to the establishment, development and operation of the applicant's farm as the Corporation approves.

3 - Qualifications of applicants for loans are, as follows:

(a) that he is of the full age of twenty-one years and not more than thirty-five years of age;

(b) that he has been resident in Ontario for at least three years immediately preceding his application;

(c) that he has had a minimum of three years' experience in farming and has displayed the ability and capacity necessary to operate a farm;

(d) that he is industrious and of good character;

(e) that he is actually farming, or intends to farm, on a full-time basis on the land upon the security of which the loan is applied for.

4. The extent of the loan shall be up to 80% of the value of the security, as shown by a valuator's report, but no loan shall exceed $15,000., and each loan shall be secured by a first mortage upon the lands farmed or to be farmed, by the borrower.

5 - Re-payment shall be, as follows:

(1) Except as herinafter provided, every loan made under this Act shall be repayable in annual instalments of principal and interest sufficient to discharge the debt at the end of such period as may be agreed upon, but no loan shall be made for more than twenty-five years.

(2) The first three annual instalments of principal and interest may be graduated so that the first instalment is less than the second, the second less than the third and the third less than the subsequent instalments, which shall be equal.

(3) Payments on account of the loan, in addition to those provided for in the mortage or agreement, may be made at any time.

A few minutes ago, my colleague, the hon. Minister of Planning and Development introduced a Bill dealing with rural housing and, as a farmer, who has been interested in this for many years, I just wish to make an observation or two regarding this Bill. I do this more particularly for the hon. members of this House who represent urban ridings and also, for the benefit of the press, because I find, and it is quite natural, that it should be so, that many urban people do not appreciate the fact that rural areas have not

been receiving benefits under the National Housing Act.

I would also like to point out that this Bill on Housing will, over the years, go a long way towards solving the housing problem for farmers. Many people, particularly urban people, may think while driving through the country and occasionally seeing vacant houses on farms that there would be no problem in rural housing. The facts are, however, that there are problems pertaining to housing in rural areas. May I give just one simple illustration?

In some instances, the son on a farm wishes to marry and take over the operation of the farm on which there may be only housing accommodation for one family. The father may desire to have a small cottage on the corner of the farm, and work with his son during the busy season, or he may desire to retire to the nearest local village or town. In some cases, of course, the farmer, along with his son, may have sufficient capital to carry out this programme, but in many cases, however, this is not true, therefore, the Bill on rural housing introduced by the hon. Minister of Planning and Development (Mr. Griesinger) takes care of a situation such as the one I have illustrated.

In conclusion, may I say that these two Bills, the one on rural housing and the one which I

have just introduced, are somewhat complementary and this Government feels that when they become operative they will make a very definite and distinct contribution to rural Ontario, which plays such a vital role in the economic life of the Province of Ontario.

(Take "C" follows)

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the Hon. Minister (Mr. Thomas) if he indicated what the interest rate would be on the loan.

MR. THOMAS (Minister of Public Works): It is not stated in the Bill, but it will be the current rate of interest.

HON. A. WELSH (Provincial Secretary) moves first reading of Bill intituled, "An Act to Amend the Legislative Assembly Act".

Motion agreed to; first reading of the Bill.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in view of the fact that the Bill introduced by the Hon. Provincial Secretary(Mr. Welsh) affects the position of all hon. members of this House, I felt I should give an explanation to the House concerning the subject-matter of this Bill.

It is, of course, a matter of delicacy affecting all hon. members of the House, and I may say, quite frankly that I had some diffidence about dealing with this question during the last three years.

My first acquaintanceship with the problem was at the time I was leading the House in 1949, in the absence of the then Prime Minister, now the Hon. Minister of Agriculture (Mr. Kennedy). Subsequently, I dealt with

this matter in the House. To be frank -- as I will explain in a moment -- I have never felt the matter should be dealt with until after a general election.

The subject-matter of this Bill has its inception in a Select Committee of the House appointed on the 4th of April, 1946, consisting of five then hon. members of the House:-

T. K. Creighton (Ontario South)(PC)

T. A. Murphy (Beacher)(PC)

M. C. Davies (Windsor-Sandwich) (PC)

F. R. Oliver (South Grey) (Lib.)

W. J. Grummett (South Cochrane) (CCF)

This Committee reported on the 14th of March, 1947.

This was followed by a Committee appointed by this House on the 6th of April, 1950, composed of five then hon. members of the House:-

William Murdoch (South Essex) (PC)

Bryan L. Cathcart (Lambton West) (PC)

Alexander A. MacLeod (Bellwoods) (LPP)

Harry A. Nixon (Brant) (Lib.)

Charles E. Rea (St. Patrick) (PC)

W. J. Grummett (South Cochrane) (CCF)

This Committee reported on the 5th of April, 1951.

The reports of these Committees are set out in the Votes and Proceedings. Upon the recommendation of the first Committee certain action was taken by the then Government. The recommendation in connection with indemnity to the hon. members of the Assembly was not followed. I was a member of that Government, and I thought it was a mistake, not to have followed that report. I think that will be agreed. We had cut out part of the Committee's recommendation, and I am satisfied it was without justification.

The indemnity itself of $2,000.00 was not changed, but $1,000.00 expenses was granted to the hon. members.

With this matter is associated the question of Ministers' salaries. In 1930 the salaries of the hon. members of the Executive Council were set by Statute. In the depression days the salaries of all Ministers on consent were reduced by $2,000.00. At that time the indemnity of the hon. members of the Assembly was reduced by $200.00, which amount was later restored. The reduction in the hon. Ministers' salaries, however, has been carried on to this day. It will be noted in the estimates after the hon. minister's salary in each case "Minister's salary Statutory $10,000.00, voluntarily reduced to $9,000.00." In the case of the hon.

Prime Minister the Statutory salary is $14,000.00, and was voluntarily reduced to $11,995.00. Why the extra five dollars, I have never been able to understand.

These reductions have been carried on since the depression days. In 1949, under the Premiership of the now hon. Minister of Agriculture, it was decided that the reductions should be terminated and that the salaries should be put in at the rate called for in the Statute. At that time it was pointed out in the House that the report filed on the 14th of March, 1947, had never been fully acted on. It was then decided that no change would be made in the hon. Ministers' salaries, but that the same would continue with the voluntary reduction, and at that time I stated that no change would be made in the hon. Ministers' salaries until after a General Election.

I confess the diffidence I had in dealing with this problem. As in the matter I am dealing with to-day, I felt, and still feel, sensitive about the matter. I felt that should not be done. In looking over the precedents, I followed the precedent of the then hon. Prime Minister of Canada, the Rt. hon. Mr. King who had been faced with the same situation in regard to the Federal Government, as I thought that was the proper thing to do.

On the 6th of April, 1950, on a motion by E. B. Jolliffe (South York), Leader of the Opposition, and seconded by F. R. Oliver (South Grey), Leader of the Liberal Group, the second Select Committee above referred to was appointed "To study and enquire into the payment of indemnities and allowances to the hon. members of the Legislative Assembly and the members of the Executive Council, and all matters pertaining thereto".

As stated, this report was filed on the 5th of April, 1951, and is shown in the Votes and Proceedings. The report follows:

> "The Committee gave consideration to the indemnities and allowances provided in other Provinces of Canada and also to the report of a Committee which reported on the same matters on the 10th March, 1947. In this connection, it may be pointed out that the recommendations of the Committee of 1947 were not fully implemented by the legislation which followed it.
>
> After due deliberation, the Committee came to the conclusion that the salary and expense allowance at present paid to the Speaker of the Assembly, to members of the Executive Council and to members of the Legislature, are inadequate when considered in the light of the following conditions:-
>
> 1. The expansion of Government services and legislation affecting all Departments now makes membership in the Legislature practically a full-time occupation. The gross ordinary expenditure of the Province has more than doubled since 1936 and as a

result the duties of a Member have greatly increased from year to year.

2. The increase in the work of Government has made it necessary to lengthen the sessions of the Legislature substantially thus entailing a greater expense for the Members.

3. The desirability of making it possible for citizens to become candidates for election, even though they may not possess sufficient private means to enable them to devote full time to their duties as Members of the Legislature.

4. The mileage allowance to Members for travelling from their homes to Toronto and return for one trip only during the year is quite inadequate in view of the number of visits each Member must make to the seat of Government during any year."

The Committee has considered the present salary and allowances paid to the Speaker of the Assembly, which at present, consists of his salary and expense allowance as a Member plus an allowance of $2,500.00 per year. The Committee is of the opinion that this allowance is not sufficient to reimburse the Speaker for the expenditures incurred by him in carrying out the extensive duties of his office and accordingly recommends that in addition to his salary and expense allowance as a Member of the Assembly, the Speaker be paid an additional indemnity of $3,000.00 per year and an expense allowance of $2,000.00 per year, such payments to be exclusive of any sum placed to his credit in the Estimates for entertainment purposes.

The Committee recommends that the Members of the Executive Council be requested to draw the full salary authorized by Statute, rather than the reduced amount presently drawn by them.

The Committee further recommends:-

1. That there be paid to each Member of the Assembly

(a) A salary of $2,600 per year.

(b) An allowance for expenses of $1,300 per year.

(c) A mileage allowance of ten cents per mile for four trips each year, based on the distance between his home and Toronto.

The Committee recommends that this report receive consideration at the beginning of the 1952 Session.

William Murdoch, Chairman
Bryan L. Cathcart
Alexander A. MacLeod
Harry C. Nixon
Charles E. Rea."

Mr. W. J. Grummett -- I am referring to the hon. member for Cochrane South, and I am referring to the name of the member at that time, and I do not think I am transgressing the point you raised, Mr. Speaker, a moment ago.

Mr. Grummett, the then member of the House, and who is now the hon. member for Cochrane South, did not sign this report because he dissented from the provision for postponing the considerations until 1952. He felt it should be implemented at once, and on the 5th of April, 1951, so stated his position.

And I wish to give all due credit to the hon.

member for Cochrane South (Mr. Grummett) for the point he made at that time. He stated his position very honourably and very fairly in this House, and being one of those returned on the 22nd of November, I am sure he will agree that his not signing the report was not beeause he dissented from the report, but because he dissented to the fact that it was not to be dealt with until this Session.

Perhaps I may have had some influence on the Committee in connection with the deferment of the date, but, as I say, it was a matter which I felt should be dealt with, with extraordinary care.

It will be noted that the Committee recommended that this report should receive consideration at the beginning of the 1952 Session. This matter has been given thorough consideration by the Government. The course adopted in 1949 and the proceedings and report of the Select Committee were thoroughly debated in this House and the statement that the hon. Ministers' salaries would not be restored to the Statutory amount until after a General Election has been widely commented upon and, indeed, favourably commented upon in the Press. The Government has given full consideration to the matter and has decided to recommend to the House that the report of the Select Committee filed on the 5th of April, 1951,

should be implemented and accordingly an amendment to the Legislative Assembly Act is being introduced for that purpose. It is not necessary that any amendment should be introduced to the Executive Council Act as the amount which it is proposed should be paid to the Ministers is Statutory and the recommendation is voluntary and the reduced amounts are being paid as a result of a written direction from the hon. Prime Minister and Treasurer, and supported by individual letters from the hon. Ministers to the Provincial Auditor.

The report of the Select Committee of the 14th of March, 1947, went very fully into the whole question of indemnities, making comparisons with other jurisdictions and giving other reasons. This report which is contained in the Votes and Proceedings of the 14th of March, 1947, should be read in conjunction with the much shorter report which refers to this report, and which is shown in the Votes and Proceedings of the 5th of April, 1951.

This is a matter with which I found myself somewhat diffident to deal. This applies to all of us. I feel, however, that it has been handled with care. All kinds of time has been taken. The fullest of publicity has been given. A General Election has intervened since the last report was made. It was clearly indicated

that the report would be considered this Session. The time arrives when the House has to deal with matters of this sort, and I feel and I hope the House agrees that the time has arrived when a decision should be made. I think it can be done with dignity and respect and after the public has had the opportunity of having all the information available on the subject.

HON. T. L. KENNEDY (Minister of Agriculture) moves first reading of Bill intituled, "An Act respecting the Health of Livestock".

Motion agreed to; first reading of the Bill.

He said: This gives the Department power to inspect live and dressed beef in any part of the Province of Ontario.

HON. T. L. KENNEDY (Minister of Agriculture) moves first reading of Bill intituled, "An Act to Amend the Milk Control Act".

Motion agreed to; first reading of the Bill.

MR. T. D. THOMAS (Ontario): Mr. Speaker, would the hon. Minister care to make an explanation?

MR. KENNEDY: Mr. Speaker, the main object is to set out the Board's power to describe what butter-fat and solids should go into the milk, and what should not go in, such as vitamin drinks and so on.

HON. M. PHILLIPS (Minister of Health) moves first reading of Bill intituled, "An Act to Amend the Sanitorium or Consumptives Act".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, there is only one amendment proposed by this Bill, which relates to the burial of indigent patients in sanitoria for consumptives.

A similar amendment will be brought in to the Public Hospitals Act. It raises the fees paid to the funeral director to a maximum of $75.00. Secondly, it provides the actual cost of opening and closing the graves,and, thirdly, it makes provision for a fee of ten dollars for religious services performed in connection with the burial.

HON. M. PHILLIPS (Minister of Health) moves first reading of Bill intituled, "An Act to Amend the Public Health Act".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this Act has four principles. The first is the clarification of authority to limit the application of regulations under the Act, as to time and place.

Secondly, to increase memberships of Boards of Health in cities of 100,000 or over. This really concerns

only four cities, Toronto, Ottawa, Windsor and Hamilton.

The third provides for the temporary appointment of an Acting Medical Officer of Health by cities for a limited period upon death of Medical Officer of Health, pending the appointment of a permanent Medical Officer of Health. Heretofore, if a Medical Officer of Health died, such as was the case a short time ago in Toronto, the city had no authority to appoint an Acting Medical Officer of Health, until the vacancy was filled.

Fourth, the repeal of Section 110 of the Act relating to municipal financing of investigation costs of sewage works and water works.

Section 110 is being extended and transferred to the Municipal Act.

MR. SPEAKER: Introduction of Bills.

It is customary, once a year, to have a group photograph taken of the hon. members while sitting in their places, and this seems to be the fortunate, or unfortunate day. May I suggest that all hon. members face the left-hand corner of the Chamber, as I am facing it, and put on your best smiles, and the group photograph will now be taken.

(Take "D" follows)

HON. L. M. FROST (Prime Minister): Mr. Speaker, I would like to table answers to questions 49 and 53.

MR. SPEAKER: Orders of the day.

CLERK OF THE HOUSE : Eleventh Order, resuming the adjourned Debate on the amendment to the amendment to the Motion for an address in reply to the Speech by the Honourable the Lieutenant-Governor at the opening of this Session.

MR. A. W. DOWNER (Dufferin-Simcoe): Mr. Speaker, first of all I would like to offer my congratulations to you on your election to the high office of Speaker, for the second time. You can take it as a great tribute to your affability, your fairness and your impartiality. I would also like to congratulate the Mover and the Seconder of the Speech from the Throne, the hon. member for London (Mr. Robarts) and the hon. member for Wellington North (Mr. Root). I must congratulate them on the very fine speeches they delivered in the House.

It seems like overdoing things to take part in this Debate. However, there are a few things I would like to say. I believe that anyone representing a rural constituency, which is progressive, honest, thriving, such as my constituency is, should have

something to say. In the first place, I think the Speech from the Throne has great merit. It deals first with the things that touch our heartstrings, with reference to His Late Majesty and to our new Queen. It deals secondly with particular things having to do with the prosperity and welfare of the province of Ontario. Now, we will deal with those two things in order.

I could not possibly enter into this Debate without making some reference to that great loss that every one of us feel due to the death of our late Sovereign. The late King was loved by everyone in the Dominion of Canada and we have very vivid and happy recollections of his visit to this House in 1939. During this Session, we particularly mourn the loss of a great King and a good man. His reign coincided with one of the most troubled periods in all the history of the world, a period of depression, war and distress and fear, and yet, throughout all that period, he remained calm, steadfast, firm to his faith, his faith in freedom, and his people. One has only to read the speeches he made on Christmas Days to get the clear idea of the ideals of this great man. We can never forget, and we should never forget, his great sense of duty, his great courage, his example as a father, his kindness and concern for the welfare of all his people. I shall always remember the

concluding words of a radio broadcast he made on the 24th of May, 1939, in the City of Winnipeg. He said:

> "Life is a great adventure and every one of you can be a pioneer, blazing by thought and service, a trail to better things. Hold fast to all that is just and of good report, in the heritage that your Fathers have left you, but strive also to improve and equalize that heritage for all men and women in the years to come. Remember too, that the key to all progress lies in faith, hope and love."

Our late King did hold fast to all that is just, good, and of good report. He epitomized these great ideals during the whole of his life and so, for us, a light has gone out, but his memory will remain as roses in December. Our sympathy goes out to the Queen Mother and to our new Queen, and all the Royal Family.

To the new Queen, we not only extend our sympathy, we offer our loyalty and devotion. Though young in years, Her Majesty is well qualified to follow in the footsteps of her great Father. In speaking to the Privy Council for the first time after the death of her Father, King George VI, Her Majesty said:

> "I shall always work as my Father did, I shall work as he did throughout his reign, to uphold constitutional government, to advance the happiness and prosperity of my people."

Mr. Speaker, there can be no greater or better example and no greater pledge. Like her Father,

Queen Elizabeth II has promised to hold fast to all that is just and all that is of good report. We pray her reign may be long, untroubled and glorious.

The second thing I would like to say this afternoon is that something has been forgotten in this House this Session. We have forgotten to pay tribute to one of our greatest Canadians. During the past year, a former hon. member of this House and a former hon. Minister of Education passed away. I refer, of course, to the Rev. Canon H. J. Cody, who occupied a seat on the Government Benchs during World War I. I repeat again, Dr. Cody was one of our great Canadians and one of our great educationalists. He was not only Minister of Education of the province, but he was at one time, President of the University of Toronto and later, Chancellor of the University of Toronto. He had a great capacity for work, as we all know, and a great ability to create confidence. I think we can very safely say that he was one of the greatest men of our generation and he left his mark for good on everything he touched. We cannot forget his honesty, his kindness. Doctor Cody was a great statesman, a great scholar and a great man. He was a man who loved the people, all the people, of his community and a man who served them well. I am sure Mrs. Cody receives the sympathy of all hon. members of

the House. I am sure we shall never forget the services of men like the late Dr. Cody, a man who contributed largely to the development of this country, through the years that have gone.

Mr. Speaker, generally speaking, I am not very much in favour of omnibus speeches. I believe that if a man is speaking and wants to make a good speech, as we all do, he should be imbued with one single idea in which he is particularly and vitally interested. A speech should convey the impact of a single notion. However, the Debate in which we are taking part is chacterized by omnibus speeches and I know you will pardon me if I make one to-day. I do not want to say much about anything, but I want to say a little about several things, things with which the people of my constituency are concerned.

Yesterday morning, I read a report in one of the Toronto papers that foot and mouth disease had broken out in my county and it came as a shock. I think it came as a shock to everyone in this House. Then, in the afternoon, the report was denied and the paper said it was not the foot and mouth disease, but some other disease. As you know, our County of Dufferin has a reputation for producing beef and it would be disastrous if the disease were present. I would like to

say just a word or two about this disease. The outbreak in western Canada is the first on record in the Dominion of Canada. Almost every other country in the world has had an outbreak of this disease, but this is the first in Canada. I think that is a tribute to the vigilance of our veterinarians. The fact that we have not had to deal with this disease has produced a spirit of legarthy as far as finding a cure for the disease is concerned. I believe every endorsement and every assistance should be given to our research technicians so that this dread disease may be stamped out. We should not forget that our farmers, who are affected by this dread disease, should be properly compensated for their losses. I know that adequate compensation is provided for those who have cattle or other livestock infected. We should also take measures and bring pressure to bear, pass resolutions and send them to Ottawa, and also take measures to provide compensation to be paid to farmers in the immediate areas which are quarantined. These men also lose income as soon as their neighbouring farms are affected. I am sure that all hon.members of this House, particularly the rural hon.members, share the anxiety with me regarding this very serious disease. We all desire that every possible measure should be taken by this Government and by the Ottawa Government

first to discover the source of infection and, secondly, to provide for the extermination of the disease, particularly to protect our livestock industry from impairment. I believe that stronger measures should be taken to see that immigrants coming into this country from areas where foot and mouth disease prevails, to see that these immigrating men and women are properly examined to see that the disease is not brought in from foreign shores.

We now go back to my own riding. I am always interested in my own riding because the people of that riding elect me. I would like to offer my congratulations to the hon. Prime Minister (Mr. Frost) on the resounding victory he won on the 22nd of November last and to express the hope that he will win many resounding victories in the years that lie ahead. I say very humbly, that if the Government continues to give the same sort of government it has given for the last eight years, we need have no fear of meeting the electors. I believe the Government will give the same sort of leadership it has given.

I said a moment ago that we are all interested in our own riding and I would like to ask for a little more consideration for roads in Dufferin-Simcoe. I know the hon. member for Grey South (Mr. Oliver) has been

(Page D-8 follows.)

there and seen the roads and thinks they are very good roads, but we would like to have a few more improved roads. Along with all hon. members of this House, I regret exceedingly that the hon. Minister of Highways (Mr. Doucett) is unable to be present at this Session. I know I am expressing the hope of everyone when I say I hope he will soon be restored to health and strength and be able to take his place with us. The hon. Minister (Mr. Doucett) has done a fine job for Ontario, our highways are improving year by year. I think our highways compare very favourably with highways anywhere in the world. I believe the four-lane highway, the main artery of traffic, is necessary, but we must not forget the two-lane highways running into smaller sections of rural Ontario. In my section, the roads, especially the road between Angus and Maple Valley, highway No. 91, and highway No. 24, should be added to the highway system. I would like to remind the House that in my riding we have that great military camp, called Camp Borden. Every day from that camp come tanks and trucks of every sort and description and I am sure you need not strain your imagination to see just what those tanks and trucks do to our roads. In the rural communities, during the winter seasons, the roads are torn to pieces. I believe extra assistance should

be given to these townships surrounding the Camp, because of the disabilities under which they work. I believe representation should be made to Ottawa for assistance in keeping up the roads in the immediate area surrounding the Camp. Great assistance has been given for municipal roads by this Government and I believe greater assistance will be given.

There are two or three things I would like to deal with, perhaps not having much to do with the roads, but they do deal with the Highway Traffic Act. Today, our highways are wider and our cars faster than they have ever been before. While a great deal has been done to cut down the appalling toll of accidents, a great deal remains to be done. In the United States of America, every state is seeking for some workable means of cutting down the traffic accidents, and I know that every hon. member in this House is interested in the very same thing. The automobile is the modern juggernaut of death. More people were killed on the highways of this continent last year than were killed in the front lines in Korea and I say that something can and must be done to reduce this toll of misery and destruction. No man would be allowed to run a streetcar, a railway, or even operate a printing press without proper training, but we allow

(Page D-10 follows.)

anyone to drive a car without any training whatever. I humbly suggest there should be a five-year examination period for all drivers. At the present moment, there is no provision at all for an examination, we just take the money, send them out to the highways and you know the result.

(Take "E" follows)

Secondly, I would like to suggest that every automobile should be roadworthy. It should be roadworthy before it is taken out on the road. A boat has to be seaworthy and a plane airworthy, but what about a car? It should be roadworthy. There should be a periodic examination of cars after a certain age. Used cars sold by used car dealers should be certified as roadworthy before they are sold to the unsuspecting public.

There are two things that we can do and those two things might cut down the toll of highway accidents.

During the last election a great deal was said about the gasoline tax rebate. The people of the Province of Ontario decided that we were doing a pretty good job over here and they would let us continue. You know, I think we can improve that particular situation. There is a great deal of concern among our farm population about this problem. A great many people lose their rebate because they do not happen to be on time. There have been all sorts of suggestions. Some say: "Well, we can colour the gas for the farmer" -- "Do this and do that". I think we can solve this problem very easily. I would suggest that as long as bills are presented within the calendar year the rebate be paid, or to go beyond that, you could say: "No matter when the bills are presented we will grant the rebate." After all, the province has the money;

it has already received the tax. Why not send the rebate back?

I think the farm members in the Legislature realize the difficulty. The farmer, as a rule, pays his bills not every month but usually in the fall. The bill for six months, as far as gas is concerned, is recieved in August and he does not pay for it until October. Of course, if he sends it in then it is too late. So, I would suggest whenever the bill comes in asking for the rebate, the tax be refunded by the Province.

I would like to say a word to the hon. Attorney General (Mr. Porter). I am not going to speak about every cabinet Minister this afternoon. During the past summer I was a member of the Committee set up by this Legislature to inquire into the administration of criminal justice in the Province of Ontario. The Committee came to an untimely end because of the election, and I would like to pay tribute to the members of that Committee -- the Chairman of the Committee, the hon. Attorney General (Mr. Porter), the hon. member for Niagara Falls (Mr. Houck), the hon. member for South Cochrane (Mr. Grummett), the hon. member for Lambton East (Mr. Janes) and the hon. member for Glengarry (Mr. Villeneuve). Each man did his work conscientiously.

The Committee was brought into being, because there were comments during the last Session and a few aspersions made that things were not going along as well as they ought in the Attorney General's

Department. Let me say that we sat for four or five months and we found not a single thing wrong, that the hon. Attorney General (Mr. Porter) and the Department had nothing to hide and nothing to cover up. We learned a lot of things about how the underworld acts but there was not one thing that we could say was wrong with the administration as far as the present law is concerned in the Province of Ontario.

We learned some things during the Committee's sessions and I would like to humbly suggest that in some way or another the things we learned should not be forgotten, that some report should be brought in from that Committee. I am not suggesting that we go any further. I do not think we will find any more than we have already found. in the other Departments, and I would like to congratulate -- even though I am a member of the Committee, I would like to congratulate the hon. Attorney General (Mr. Porter) and the Government on their clean slate. They had nothing to hide and nothing to cover up.

Along this line, may I say that law and order must be upheld in this Province and respect for law and order should be taught in the schools -- not only in the schools but in the homes of all our people. There is no place in Ontario for gangsters -- for gangsters such as the men who shot down Detectives Tong and Perry, and I respectfully suggest that the Criminal Code should be amended making it a mandatory sentence of life imprisonment.

if anyone is found carrying a concealed weapon whether it be a pistol, a Sten gun or a Bren gun. Anyone carrying such weapons is a potential murderer and you know it and I know it and no mercy should be shown them.

Leaving the hon. Attorney General (Mr. Porter) I would like to refer to the Department of Health, and I would like to pay my tribute to the hon. Minister of Health (Mr. Phillips) and the great job he is doing in the Province of Ontario for the people of the Province. We have an excellent record in the field of health, our Department of Health is alive to the needs of the people all over the Province -- alive, very much alive, to the needs of the people. It is paying more money and putting more effort into the promotion of public health than ever before.

Under a previous Government in 1941 and 1942 the health expenditures in this Province were about $9 million. Last year about $40 million was spent; in other words, our health services have quadrupled in ten years, and despite population growth and the rising cost of services our annual per capita expenditure on health has risen in the last ten years from less than $3 for every man, woman and child to over $8 for every man, woman and child resident in the Province of Ontario.

The Department has raised the standard of care and raised -- vastly increased and improved,

the treatment to patients in the public hospitals in the Province, especially a regular basis of grants to public and general hospitals, increased maintenance grants to these same institutions,and provided for special financial assistance to out-patient departments of hospitals. It has also provided for the nursery care of babies.

These are just a few of the highlights of the real down-to-earth approach to Ontario's health problems by this Government of the Province.

Increased awareness of alcoholism as a public health problem was made by the establishment of the Alcoholic Research Foundation which is already proving its worth. Ontario has the lowest T.B. deathrate of any of the provinces and we can take credit for that, due to the work and the effort of an efficient Department of Health.

For the control of cancer in Ontario we have two Government agencies, one a Commission for the investigation of cancer remedies -- it investigates and reports upon remedies which are claimed to have value in the treatment of cancer -- and the second is the Caneer Treatment Research Foundation which came into being in 1943. In 1951, $200,000 was given to that Foundation. We have also provided $2 million for a cancer radiotherapy centre in Toronto at Wellesley Street Hospital.

Under the Foundation's guidance nine cancer

treatment centres are operating in Ontario, and I want to say that, just as soon as personnel and equipment become available, several centres will be opened up.

The object of the cancer control programme is to find out just as early as possible the history of the patient's disease and to encourage citizens to avail themselves of the wonderful services provided for the diagnosis and treatment of cancer. That is the first thing, and then, the second thing is to continue to discover newer and better means to detect and combat this dread disease. There are as many as ten thousand new cases of cancer each year and our citizens must be trained and educated to make use of the services that are provided -- not only that, but the services must be expanded.

Under the present hon. Minister of Health (Mr. Phillips) a great deal has been done along this line. The hon. Minister has also done a great deal as far as the mental health of our citizens is concerned. He has been in nearly every mental hospital in the Province of Ontario and has made many improvements for the comfort of the patients in those hospitals, and these changes have greatly added to the general welfare and treatment of the patient.

Just think of some of the things he has done. First, he has improved the clothing that was given to the female patients. Instead of the old standard dress, they now have dresses that vary as to colour. There are coloured blankets, more comfortable chairs

and not only that, but he has provided for each female patient to receive some sort of beauty treatment and this treatment has helped a great deal. He is now in the midst of setting up physiotherapy units in General Hospitals, which touches every riding in the Province. He is setting up these units in General Hospitals where patients can get early treatment and diagnosis, not one thousand miles away, but in their own local community. He has established wards in many hospitals in order that disturbed patients need not be kept in jails weeks and months awaiting the verdict of the magistrate or awaiting the decisions of the two doctors, and then being transferred to mental hospitals.

I think one of the most interesting things of all is this, that our hon. Minister (Mr. Phillips) hates the word or rather the stigma that is attached to patients going to a mental institution. There should be no more stigma attached to a patient of that type than to a patient suffering from pneumonia or cancer or tuberculosis.

And so, I commend the hon. Minister of Health (Mr. Phillips) for the great work he is doing in the Province of Ontario and may he long continue as Minister to carry on that great work.

I would also like to commend the Hydro Electric Power Commission for its tremendous development in rural Ontario during the past few years and for its promise of more and more mileage in 1952.

Though we owe a great debt of gratitude to the dynamic Chairman of the Hydro-Electric Power Commission, we owe a debt of gratitude to the Vice-Chairman of the Hydro Electric Power Commission who sits in this House.

Hydro has made greater strides in the last five years than in all its history and the members of the Commission are the driving force behind it.

I know our friends across the House in Opposition talk about the great work they did in their day, and in wartime. Do you know in 1941 our County was in darkness? Not only Dufferin County but Simcoe County as well. In 1941 only 16 per cent. of the farm people in the County of Dufferin had the benefit of hydro. In 1951 -- ten years later -- 69 per cent. of the people had the benefits of hydro electric power in our county. In the County of Simcoe 31 per cent. had it in 1941 under a Liberal administration and, in 1951, 76 per cent. of the people living on the farms had hydro electric power.

---- Mr. Speaker in the Chair.

There are still a lot of things we would like to do. I would like to again plead -- I have been pleading for this for years and years -- for equal rates in every municipality in the Province of Ontario so that industry can locate in the smaller centres. At the present moment the large centres

have it all over the smaller centres when it comes to attracting industry. So I would like to plead with the Hydro Electric Power Commission to give us equal rates throughout the length and breadth of Ontario.

(Take "F" follows)

I would like to commend the Government for its action in bringing in the Bill to provide for the power development on the St. Lawrence. We need that power, and need it badly for industrial development, and with that power resource, there will be no limit to our expansion.

This Government has shown it has bision. There is an old statement, "Where there is no vision, the people perish", and we are indeed fortunate to have men of vision managing the affiars of Old Ontario.

I would have liked to have said something about welfare, but I will slip by that, as I want to speak for a moment or two on education. I had a great deal I could have said about labour, but as we have two or three others who wish to speak in this debate, and I know that most of us would not like to stay here after six o'clock, I will, for the present, omit what I have to say on labour.

As regards education: I would like to pay my tribute to the Hon. Minister of Education (Mr. Dunlop). I am sure our hearts were thrilled to the limit when we heard of his appointment. He is a great educationalist. He made his mark and established his reputation long before he entered this House. I agree with the principle enunciated by him at a meeting once

long ago when he said he was in favour of getting "rid of the frills", and getting back to the three R's in education. I agree with that. We need to teach our boys and girls how to live, and how to make a living, and not to be sports only, although sports have their place in any educational system. They teach our children to play the game, but it is more important to teach them how to live, and how to make a living. The welfare of our children is of prime concern to any Government, and it has been the prime concern of this Government for the last eight or nine years. Grants for the maintenance and building of schools have risen from $14 million dollars in 1943 to $63 million dollars in 1951.

May I refer, Mr. Speaker, to the amendment now before the House:

> "Moved by the Hon. Leader of the Opposition (Mr. Oliver), seconded by the hon. member for Brant (Mr. Nixon) that the Government has failed to provide adequate assistance to meet the rising costs of education."

Have you forgotten 1940, 1941, 1942, and 1943, when all you could give to the people of the municipalities was a paltry $14 million dollars? Compare that with the $63 million dollars given by this Government in 1951.

This Government has also provided free school books, transportation, given large grants for the erec-

tion of community centres, of which the youth and the children are the chief beneficiaries. This Government is the first Government to give substantial instruction grants to the schools. The policy of the Government is, and will continue to be, to achieve equality of opportunity for our children in basic education, and full grants for transportation and for other purposes, equality of opportunity, as far as education is concerned, has been attained and maintained.

Mr. Speaker, we have a great record. I would like to close by saying that I believe every hon. member of this House, regardless of his political affiliations, is interested in giving good Government. I know that every hon. member -- possibly barring one -- is interested in democracy; every hon. member believes in freedom . Mr. Speaker, a battle of ideas is going on in our world. Not long ago a great Liberal statesman -- and he is none other than the Secretary of State in the Dominion Government, the Chancellor of one of our Universities, said:

> "Communism can never be killed by bayonets. It must be met with intellectual and spiritual weapons and by removing the conditions of poverty and misery in which it grows."

Then he went on to say:

> "Freedom must include the obligation to be socially useful, and to struggle against

> evil and injustice. Only on that concept of freedom can a full and secure society be based."

Mr. Speaker, upon that concept, this Government is built. We are trying to meet Communism with spiritual and intellectual weapons, and are trying to remove the conditions of poverty and misery on which Communism grows, and as the months and years go by, when the record is complete, I think it will show we have been successful.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, in speaking once again in the debate in reply to the Speech from the Throne, I want, first of all, to refer to the lesson you read to us this afternoon, as to how to conduct ourselves in the Legislature, in debating the questions which come before us. I think it was particularly appropriate, and the timing was excellent, coming, as it did, prior to the remarks of myself, and the Hon. Attorney-General (Mr. Porter). You safeguarded the House, I am sure, in making the suggestion at this particular time.

I just want to say, however, Mr. Speaker, in passing, that I do agree with your interpretation, and what I gathered was your determination to stick rather more closely to the Rules of Debate. I think we were

getting very far afield, in calling each individual hon. member by his first name, or his last name, whichever seemed to catch the fancy of the speaker at the time, and if that were allowed to continue, I think it would have mitigated against the dignity of the Legislature and the quality of the Debates in the House itself.

I want to say, Mr. Speaker, that I am rather surprised at the attitude of the Government on this particular day of the Debate. Last Friday, and again on Monday, the Hon. Prime Minister (Mr. Frost) expressed hope -- and when the Hon. Prime Minister hopes hard enough, that hope could be realized, I imagine -- that the Debate in Reply to the Speech from the Throne would be concluded last night, with the exception of the Leader of the Opposition, and the Hon. Minister who was to respond for the Government. I was proceeding on the assumption that that course of conduct would be carried out, and that to-day there would be just the two speeches, and we could try to focus our attention on various matters which have been discussed in the great many speeches we have heard during this Debate.

But on coming into the House to-day, we find that the Government seized upon this opportunity to introduce three or four of the most important measures

which have come before the Legislature at its present sittings, and the Hon. Ministers concerned seized their opportunity of being rather expansive in their elucidation of these particular Bills which they were introducing.

On top of that, we had to have our picture taken, and beyond that again, we had to listen -- and I enjoyed listening -- to the hon. member for Dufferin-Simcoe (Mr. Downer).

I want to say to the Hon. Prime Minister that I have no desire at all to be critical; I do not want to express annoyance at this particular procedure, but I do want to remind him that his political strategy in this particular case has not passed unnoticed. We are quite aware of the procedure.

HON. L. M. FROST (Prime Minister): Mr. Speaker, may I say to the Hon. Leader of the Opposition (Mr. Oliver) that I never considered such a thing. I really did not think it would require quite the length of time in giving an explanation of the Bills. I was anxious to introduce them to-day, because they really fit into the Budgetary Statement which will be made to-morrow. I can assure the Hon. Leader of the Opposition (Mr. Oliver) there was no strategic intent in what took place. It was just one of those accidents of procedure. Also, may I say, Mr. Speaker, that I regret

that we have taken up a little more time than was anticipated, and I would ask the Hon. Leader of the Opposition (Mr. Oliver) to take as much time as he wants, and the Hon. Attorney-General (Mr. Porter) has advised me he will be quite happy to shorten any remarks he had planned on making, in order that the Hon. Leader of the Opposition may have the fullest opportunity to speak.

MR. OLIVER: Having received the assurance of the Hon. Prime Minister, who I am sure is sincere, I will still remind him it started away back in the days when Mr. Drew was the leader of the party in power. Mr. Drew used to rise before the Orders of the Day, when anything special was to come from the Opposition, and speak for a couple of hours, and do precisely what it looks like the Hon. Prime Minister was doing here this afternoon.

I want to sum up, Mr. Speaker, if I may, some of the things I have heard as I listened patiently -- perhaps very patiently -- during the long days when the speakers on the Government side followed one after the other in that "parade of praise" we have listened to over the last number of days. I would say in the debate, in my judgment, the speeches were at least

equal to the average we have enjoyed in past Legislatures, and the speeches of the new hon. members were such as to be commented upon. I do not want to particularize, and say just whom I think made the best speech amongst the new members, but let me put it this way, that I did enjoy particularly the speech of the hon. member for Kingston (Mr. Nickle). It is too bad the Hon. Attorney-General (Mr. Porter) had to leave when the hon. member for Kingston was speaking.

MR. PORTER: I was in the House all the time, and I read it over since -- every word of it.

MR. OLIVER: I think it should do some good, because it was an admirable speech, and there were in it some definite recommendations to the Government, particularly having to do with the Department of the Hon. Minister (Mr. Porter).

I listened as well to the speech by the hon. member for Leeds (Mr. Macodrum). I enjoyed his remarks very much, as I did also the speeches made by many of the "rookie" hon. members from the Government side of the House.

I think it is generally admitted that the hon. member for Kenora (Mr. Wren) made one of the best, if not the best, "rookie" speech in this Legislature. I know from my association with him and my

conversations with him; that as we enter into what I consider the important part of the Session, that is, the Budget coming down and the Estimates being presented, and as we enter into discussions on the various Departments of the Government, you are going to hear, Mr. Speaker, not only the voice of the hon. member for Kenora (Mr. Wren), but those of other hon. members on this side of the House, because we want to examine, not critically, but certainly exhaustively, the Governmental Departments, as the Estimates are tabled before the House.

As I listened carefully to this Debate for quite a number of days, I noticed there was a particular thread running through all the speeches, just like a thread running through a garment. That particular thread was, that each hon. member took it upon himself, very religiously, to devote at least one-half of his speech to praising the Hon. Prime Minister and the mental giants who sit on the Cabinet benches.

MR. T. L. KENNEDY (Minister of Agriculture): It was a good thing, was it not?

MR. OLIVER: I doubt that. I am going to make what I think should be an acceptable suggestion as we go into the Budget Debate. I think some hon. member

on the Government side -- some private member -- be designated by the Government of the day to rise in his place and make one speech, in which he embodies all possible congratulations to the Government, and to the Cabinet, and then say that he is speaking for the rest of the hon. members who are going to participate in the Debate.

If there has been repetition -- and there has -- it has been on that one particular subject. It may be, of course, that I am biased in that regard, but I think, Mr. Speaker, that even the hon. Prime Minister, as that avalanche of congratulations descended upon him, must have thought he was the "Great White Father" himself. The Hon. Prime Minister, I agree, is an astute politician, but I do not think he is very far apart from the rest of us, and I do not think he would enjoy it himself, to be sitting in a different pew, apart from the rest of the hon. members of the Legislature, and finding himself placed in a category far removed and far above any of those who sit in this Chamber, or who take part in the deliberations of this House. I do not want to be unduly critical in that regard, but it seems to me that we overdid that angle, just a little bit. Repetition is one thing, but a very large dose of repetition becomes

nauseating, even to the Government sponsors, and I think to the Hon. Prime Minister himself.

MR. KENNEDY: I rather liked it.

MR. OLIVER: I am not surprised that the Hon. Minister of Agriculture (Mr. Kennedy) liked it. Perhaps some of the others here are more sensitive.

There was one other remark I would like to make in introducing the matters I have to discuss, and that has to do particularly with the hon. member for St. David (Mr. Weaver) who expressed the thought that it was pretty hard to be sitting on this side of the House, and not being at home with the family on the Government side.

I would like to say to the hon. member, and to those who think with him, that our dilemma in that respect is no greater than his. We are just as sensitive on this particular feature as the hon. member for St. David (Mr. Weaver).

The hon. member for Dovercourt (Mr. Kerr) yesterday made what I thought was a somewhat unusual statement. Looking across into the faces of friends across the way, he was comforted and strengthened by being able to look upon their faces, but he was upset and regarded as enemies those upon whom he had to look from the rear.

(Take "G" follows)

I know quite well the rear view is not too good, but I would say to my hon. friend (Mr. Kerr) -- and I want to make a serious point out of this if I may, Mr. Speaker -- I doubt if anyone in this Legislature is an enemy of mine on political grounds or any other grounds, and I doubt very much if anyone in the House is an enemy of the hon. Prime Minister (Mr. Frost) or of hon. members of his Cabinet. We cannot be an enemy of another in this Chamber if we stand for the State, the "State" in this instance meaning the Province of Ontario. If we are workers in the vineyard of progress, then we cannot be enemies one of the other. I would go on to say, however, that sharp differences of opinion may arise as to the proper method to pursue to obtain a given end. We might be widely apart in our views, but we are all one when it comes to the goal to be achieved. We are all going in the one direction and the difference lies in the method of approach and in the attitude of mind on particular questions.

Let us always keep it on that plane, and let our approach to public questions be always made in that regard because after all is said and done all of us in this House, whether we sit in Opposition or in Government, are here to do what we can to advance the best interests of this Province, and all the people who live in it. Those who sit on Opposition benches today are just as anxious to play that part to the maximum as are those who sit upon the Government benches. All of us have a part to play and none of

us are enemies of the other; all of us are striving to achieve that end which in itself is a betterment of conditions under which our people live and under which they work.

I want now to say a word about another tendency that I detected in the speeches delivered by Government supporters. That tendency was to take unto the Government of the day all the credit for the things which in their opinion were good, and to place upon the shoulders of the Government at Ottawa all the blame for the things they considered to be bad. I suggest to the House, Mr. Speaker, that is an unrealistic approach to the problem that confronts the Province of Ontario. I believe Ottawa is to blame for some things, naturally, even as I believe this Government has its shortcomings on particular subjects, but I do believe this, Mr. Speaker, and I say to you that even though the Federal Government at Ottawa has tremendous taxing powers, it also has tremendous financial responsibilities. It has the obligation incurred on behalf of all of us to pay for two world wars and to prepare for another one, which we hope will never come. In addition to that, Mr. Speaker, I say to my hon. friends who belittle not only the attitude but the accomplishments of the Federal Administration at Ottawa, that in my judgment and opinion we have never had an Administration at Ottawa which has done more for the people, the men and women who live in villages and towns, who work with their

hands, who live on farms, the everyday person, than the Administration at Ottawa. I suggest to you, Mr. Speaker, that they have accomplished with a minimum of dislocation the greatest redistribution of wealth this country has ever known. They have taken wealth from those who had that wealth in abundance and have distributed it to people who are less fortunate, and by doing that have raised the standard of living in this country by many degrees over the last number of years.

I suggest, Mr. Speaker, that in great social measures like the Family Allowance Bill, and the universal Old Age Pension Bill, in themselves have wrought great good in the Dominion of Canada and have forged, in my opinion, another link in the chain, or in the armour that will keep us from being over-run by any "ism" that we do not like and will not tolerate.

I agree with my hon. friend from Dufferin-Simcoe (Mr. Downer) in reading as he did a report on the speech of the Hon. Lester Pierson; I agree as I did here a few days ago, that the way to cure communism or to stamp it out is not wholly by the bayonet, the sword, the gun and the aeroplane, but by addressing ourselves to our particular social and economic problems, and by attacking those problems with such force and such sincerity that we will bring the lives of men and women all over Canada to a higher plane of thought and activity. Those are the things that count, those are the things that are fundamental.

Another thing I noticed running through the speeches of my hon. friends was this thread, and I do not like it. There was the suggestion relating to blaming everything on the Federal Administration; it seemed to be set off spontaneously as if some central agency had given them the word to"go"and each hon. member took it upon himself to express the opinion of the "line", so to speak. Each one of them in their turn dutifully and carefully mentioned each time they rose to speak that the question of housing was a serious problem but its solution lay with Ottawa; the question of unemployed employables was a serious problem and that the solution lay with Ottawa. I hope that was not a propaganda machine that was being unloosed because I agree now, as I agreed before in this House, that Ottawa has responsibilities in regard to unemployed employables; I agree they have responsibility in regard to housing, but what I do not agree with is that the Federal Government has full responsibility. In connection with "unemployed employables"I want to touch on this, and I want my hon. friend the Attorney General (Mr. Porter) to say a word or two on it,if he will.

The Federal Government at Ottawa, this Government says, should have complete control over unemployed employables. The hon. Prime Minister (Mr. Frost),in the opening part of this Debate, addressed himself to that particular question and suggested that inasmuch as the Province had agreed to take care of the

unemployed unemployables, it was the duty of the Federal Administration to assume the responsibility for the unemployed employables.

I say again to the House, Mr. Speaker, and I want to expand on it, that the Government of the day have nothing but their own determination to back up that suggestion or that principle.

HON. MR. FROST (Prime Minister): Mr. Speaker, I would like to correct my hon. friend (Mr. Oliver).

MR. OLIVER: Yes, all right.

HON. MR. FROST (Prime Minister): My hon. friend at one time was the Minister of Welfare of this Province.

MR. OLIVER: That is right.

HON. MR. FROST (Prime Minister): And when the amendment to the Constitution was passed in 1941, and the legislation for unemployment insurance was introduced, it was my hon. friend himself (Mr. Oliver), I believe, who introduced legislation in this House that removed relief for unemployed employables from the statute. My hon. friend did that himself, so why does he want any further proof?

MR. OLIVER: That may be true, Mr. Speaker.

HON. MR. FROST (Prime Minister): It is true.

MR. OLIVER: It may be quite true, but that does not alter the argument I was making --

HON. MR. FROST (Prime Minister): Do you want us to put it back in again?

MR. OLIVER: -- that my hon. friends opposite say the Dominion Government should be responsible for

unemployed employables. I say the Government of Ontario has no agreement with the Federal Government to back up that decision; it is an arbitrary decision on the part of the Provincial Administration, whether it was made in your time or in my time, and until that is removed and until there is an agreement with Ottawa we cannot say: "Ottawa, this is your problem completely."

I want to bring up this further point, Mr. Speaker, which has to do with the British North America Act itself. I am getting on ticklish ground when I talk about the British North America Act, but I want my hon. friend the Attorney General (Mr.Porter) to follow me and perhaps correct me if he thinks I am wrong in this.

HON. DANA PORTER (Attorney General): I shall have to revise your whole speech.

MR. OLIVER: May I suggest to the hon. Attorney General (Mr. Porter) that there was necessarily an amendment to the British North America Act when unemployment insurance was brought in, and I would suggest further to him that before the Dominion can accept full responsibility for unemployed employables there must be further amendments to the British North America Act.

MR. PORTER: I would say that was nonsense, Mr. Speaker. That is just complete nonsense.

MR. OLIVER: Well, my hon. friend says it is "nonsense". I have some doubts about it myself. However,

I shall leave it at that until another day.

MR. PORTER: Did you have some doubts before?

MR. OLIVER: My hon. friend says there is no need for a further amendment to the British North America Act. I accept my hon. friend's assurance in that regard but I want to say to the hon. Prime Minister (Mr. Frost) and to the hon. Attorney General (Mr. Porter) that this problem of unemployed employables is one we cannot pass over with a shrug. We saw in this morning's Press the number of those people who are out of work has increased only slightly. We had thought that the coming of spring and the approaching of the end of March would relieve much of this trouble.

MR. PORTER: That is what the Federal Government said.

MR. OLIVER: Yes. Well, I think it was generally accepted even by the hon. Minister that there would be a decline in unemployed employables at the end of this month. I do not think it is a fair thing to say to the municipalities that they will have to look after these unemployed employables; I believe this Government has an obligation to work out with the Federal Government some satisfactory solution to this vexing problem. The man who has not enough to eat and not enough to wear gets pretty well worked up, he gets generally exercised about the squabble between the different levels of Government, as to who is going to have to accept responsibility for his plight. I do not think we should allow it to proceed. We should go

right in and accept a share of the responsibility and insist that other jurisdictions do the same.

Hon. members who have spoken in the debate referred to"conservation,"and I just want to touch upon that subject for a moment. They said it was a vital subject but that it rightly belonged to the Federal Administration.

HON. MR. FROST (Prime Minister): Oh, no, we did not say that, surely.

MR. OLIVER: May I say to my hon. friend that there seems to be a clear line of demarcation between the place your responsibility for conservation projects ends, and the Federal responsibility begins.

HON. MR. FROST (Prime Minister): May I say to my hon. friend --

MR. OLIVER: No, I know what my hon. friend is going to say.

HON. MR. FROST (Prime Minister): I do not think there can be any clear line.

MR. OLIVER: I think there can.

HON. MR. FROST (Prime Minister): It has to be a partnership. You cannot draw a line between bugs that plague forests, and forests fires. There has to be a partnership in these things, and there is no clear line.

MR. OLIVER: I think a solution to that problem has pretty well been arrived at, Mr. Speaker. I think great areas of reforestation, for instance, are the responsibility of the Federal Administration,

but I think likewise that reforestation on a limited scale within the Province is the task of the Provincial Administration, and that building up the land of the Province and the farms is the responsibility of the Provincial Administration. However, there has been a hesitancy on the part of this Government to accept its full responsibility in this regard.

The question of housing comes up. I do not want to touch at length upon that subject this afternoon except to say that I think we all agree there seems to have been a tendency to ease up a little on restrictions on vital materials for housing.

(Take "H" follows)

We read in the Press the other day where the United States expects one of the biggest building booms they have had for many years. Whether that has anything to do with an event that takes place in November, I am not clear at the moment, but there seems to be an easing of the supply situation in relation to those vital materials. I hope the Bills introduced this afternoon will solve the problem of housing from a provincial standpoint. I hope that they are courageous enough to meet this problem head-on. I daresay it is a provincial problem of greater magnitude and one that touches the lives of the people more closely and more intimately than the need for housing in the province of Ontario. I believe, whether the Government does or not, that this Government has a real and an abiding responsibility to step ahead of the Federal plan, to go it ourselves and to do this job that needs so badly to be done for the people of the province of Ontario. I hope the Bills which are coming up will help us to meet this problem in a realistic way.

I would like to talk about the hon. Minister of Agriculture (Mr. Kennedy) for just a few moments.

He will remember, of course, that back in November of this past year, an event took place in which he was a participant. That event, of course, was a provincial general election. When that election was won, I think the hon. Minister (Mr. Kennedy) will agree with me that the farmers of Ontario were standing on top of prosperity ridge. I doubt if ever in the history of agriculture in this province, all phases of the great basic industry were enjoying a greater measure of prosperity than they were when the election was held last November. I do not know whether the hon. Minister (Mr. Kennedy) had any part, whether he was seeing ahead as he sometimes does in these particular matters, or whether he knew that the time to strike was in November rather than in June, but if he did not know, then certainly he was lucky, because you could not have found the farm population in a more receptive mood,if you had searched for a date over the last half-century, than you did last November. You went before the farmers at that time, bowing low and accepting without a murmur or protest, the full share of credit being accorded you as participants in this great prosperity that had come upon the farmers of Ontario. Not once did you say that the prosperity was due to agencies other than yours,but you seemed slow to contradict the suggestion

that the Government of the province of Ontario with the great measures of reform, so-called, which it has introduced to benefit the farmers, was responsible for the large measure of prosperity that they enjoyed. Last Fall, as the hon. Minister (Mr. Kennedy) will recall, all farm products were selling at good prices, cattle got up close to .40¢ a pound, hogs were getting up towards 40¢ a pound. In the months that have passed, something has happened and even as the Government accepted the credit and the plaudits of the crowd for the good times the farmers were enjoying, by the same measuring stick, they must accept at least a measure of responsibility for the difficulties that farmers are experiencing at the present time. What has the Government done since the last election to offset this drastic reduction in farm income? Not a thing until these Bills were introduced to-day. I suggest to the hon. Minister (Mr. Kennedy) and to the hon. Minister of Public Works (Mr. Thomas) and the hon. Minister of Planning and Development (Mr. Griesinger) that they know quite well these Bills which came in to-day, do not strike at the fundamentals of agriculture. In other words, you have to have money, you have to have a good price for your products before you will be anxious to farm. What has the Government done to

relieve this situation that presently has developed? We are now selling hogs at some $26.00, less expensive. That is a drop of about $13.00 a hundred pounds and I would say to the House that on every hog a farmer finishes to-day, he is losing $15.00. He just cannot escape it. He is faced with that situation and it is a very unfortunate one for Ontario farmers. Cattle have gone down from about $40.00 to about $24.00 or $25.00 a hundred pounds. What has the Government done to earn themselves the right to say they are the spokesmen for the farmers of this province? You say you got a mandate from farm people in November last and I say to you that if you tried to get a mandate next June, the same sort of a mandate, you would be disappointed in the results because you have not done anything to earn it. Let me say to the hon. Minister of Agriculture (Mr. Kennedy) and to the hon. Prime Minister (Mr. Frost) who is so jumpy this afternoon, that all this Government has done to relieve this distress in agricultural areas to-day, is to assume a position of majestic immobility, just sit there and do nothing about the problem, waiting for time, and another jurisdiction, to work out the answers to the difficulties. That is not good enough for this Ontario Government. I remember one day, not so many years ago, another Government met that

particular problem, just such a crisis as this, and they met it with very definite action. They introduced subsidies on cheese and on hogs, on sugar-beets and on wool, and they helped the farmers over the ridge. I suggest to the hon. Minister of Agriculture (Mr.Kennedy) unless he does something to tackle it in the very near future, it will have him on the run. For instance, what justifiable reason have you for not subsidizing the freight on grain to Ontario farmers, at the present time? Governments in the past, both your Government and mine, have assisted the farmers in paying part of the freight from the lakehead to the farms in the province of Ontario and if ever there was a time that should be done, that time is now. In western Canada, they do not know what to do with the wheat, so it is frozen and is only fit for feed, and down here we have a need for it for feed, and we have a need for it at a price that the farmer can afford to pay. Yet, this Government sits inactive, they do nothing in that particular regard and the price of feed remains high, the price of the product remains low, and the farmer "gets it" all around.

HON. LESLIE M. FROST (Prime Minister): May I ask a question? With his close connection with Ottawa, may I ask the hon. Leader of the Opposition

(Mr. Oliver) what is being done in regard to New Zealand butter and cheese? Does he know about those things?

MR. OLIVER: I might have something to say on that some other day, I have not any note on it to-day. There is a problem there, and the hon. Prime Minister (Mr. Frost) knows the problem, and I appreciate it as well as he does. However, it is not related to what I am discussing here now. The hon. Prime Minister (Mr. Frost) wants to relate it, in order to relieve his mind. He wants to try to relate it, so as to get a better feeling of composure in his own mind in regard to this problem. I want to say to the hon. Minister of Agriculture (Mr. Kennedy) in regard to the subsidy on hogs, the Dominion Government has something to do with stabilizing the price of hogs at $26.00. I think if it had not been stabilized, it would have gone down to $20.00 during the current months.

I want to speak particularly to the hon. Minister of Agriculture (Mr. Kennedy) about the advisability of reinstating a provincial bonus on premium bacon. There are two or three arguments one might use in that connection. For years past we have done a good job in Ontario in raising the quality of our agricultural products, particularly the bacon

product. You can go into any restaurant in the United States to-day and you will find Canadian bacon at a premium over that which is offered from United States sources. I think that is something we have gained over the years that we should preserve and the way to preserve it is to give the farmers some financial incentive to produce a quality product.

At the time the bonus was discontinued on hogs, the hon. Minister of Agriculture (Mr. Kennedy) said that he would put something in its place of far greater value. Not even with a microscope could you find what he has put in the place of the hog subsidy. At this time, when the bacon farmers are suffering as they have not suffered for years, I would suggest to the hon. Minister (Mr. Kennedy) that he might well reconsider the question of reinstating the bonus on quality hogs. I am still asking what the Government has done. Recently, I found out. I picked up this circular, this propaganda sheet, called "Ontario Government Services", and I found down in the bottom corner, this interesting answer. It says a lot of people in Ontario are overweight and that the Department of Agriculture is going to do something about it. If the people interested will write to the Department, it will tell them what foods to cut out, in order to

reduce weight. I suggest to the hon. Minister (Mr. Kennedy) in all seriousness, if that is the maximum contribution that you can make to agricultural difficulties in this province, then you are indeed barren of ideas.

(Take "I" follows)

It may come from the hon. Minister of Health (Mr. Phillips) but surely not from the hon. Minister of Agriculture (Mr. Kennedy). He is going to tell the farmers, and going to tell the people generally, to eat less bacon, to eat less beef and don't touch that, while at the same time we have a surplus of these particular products, that is increasing every day.

HON. MR. FROST (Prime Minister): May I send over to my hon. friend "Your Food and Your Figure", published by the Department.

MR. OLIVER: I have already sent for my copy. I will get it in a day or two. I want to say to the hon. Prime Minister (Mr. Frost) that, he, even more than I, could make a unique contribution to the lessening of certain products, above that which is actually required for the people of the Province of Ontario, and he would be rendering a real service, even if it were at the expense of an expanding waist line. He would be rendering a real service by eating more of these products that we have in such an abundance here, and do tell your hon. Minister of Agriculture (Mr. Kennedy) not to send the bulletin out because I think it is just directly opposite to what the Department should be doing. They should be trying to stimulate consumption of these very products rather than restricting their on-sumption.

I want to say seriously in completing this point, I am glad my hon. friend is impressed, but I just want to say this to complete what I was saying,

that I think it is something that we should consider as we move into estimates.

I have for a long time -- and I think this goes back to the days on the farm, although as far as this is concerned I do not want to be political on this particular question just yet, although I may in others -- we are now increasing the expenditure on agriculture from 1943 to 1950 by some 35.9 per cent and we have increased the expenditure in all Government departments by 161.3 per cent.

HON. MR. FROST (Prime Minister): My hon. friend knows there is education and all sorts of things.

MR. OLIVER: Let me finish it. There is some substance to it. I think the time has come in this Province when, if we are going to do justice to the industry of agriculture, then more of the taxation dollar, more of the expenditure of the Province, should be directed into channels which will help the agricultural industry and the picture that we have today is not one that should allow us to drift into a position of lethargy, nor allow us to stand still and think that we have done a good job in that particular field.

HON. MR. FROST (Prime Minister): Might I point out to my hon. friend that the subsidies for rural roads have been multiplied, I think, ten times. My hon. friend used to give $3 million; we give $30 million. Does that help the farmer?

MR. OLIVER: That indirectly helps the farmer, yes. It is not an expenditure through the Department of Agriculture, and my hon. friend (Mr. Frost) knows that.

I say again that the Estimates for the Department of Agriculture as such, the Agricultural College included, should be increased and increased drastically if you are going to meet this problem as you should meet it.

I want to speak for a few minutes on the question of highways and I want to say at once that I do not think I am being unfair in saying these things when the hon. Minister of Highways (Mr. Doucett) is not here. I would not want it assumed that I was, but if some of these things I am going to say are a little critical, some of them I hope will be constructive in respect of the whole highway policy.

There is, I think, Mr. Speaker, a need now for a drastic revision of highway policy. I want to say to the hon. Prime Minister (Mr. Frost) -- and this is my opinion, but it may not be his -- that regarding these great new highways which are now going through our Province, these great four-lane roads, people generally are beginning to feel that it is just a little unfair for such a large proportion of their taxation dollar to be going into these very expensive structures while maybe they will not be on them more than once or twice a year, and perhaps will never see them.

The time is fast approaching in highway construction for serious consideration to be given to some sort of plan for financing these great through highways.

(Take "J" follows)

There is a feeling, and I say to the hon. Prime Minister (Mr. Frost) that it is a very real feeling, that these great four-lane highways are being built at the expense of needed roads in other parts of the Province which cannot be built because of the tremendous expenditure involved in the building of these four- lane arteries. I suggest to the Government very seriously that they should examine that picture with a view to financing these roads in a different manner, so that it will not interfere with the ordinary expansion of highways in other parts of the Province.

HON. MR. FROST (Prime Minister): Has my hon. friend such a road as that in mind? Barrie highway, for instance?

MR. OLIVER: Well, the new highway, for instance, you are starting from Windsor to Montreal.

HON. MR. FROST (Prime Minister): How about Toronto to Barrie, the two-lane highway? Do you want that to be a toll highway?

MR. OLIVER: No, I did not say a toll highway. I was very careful about that, but I am not so sure, I am frank to say, and my hon. friend the Attorney General (Mr. Porter) need not get itchy on this --

MR. PORTER: I am not itchy.

MR. OLIVER: I am frank in telling the House that I am not so sure what the solution is, and I am just as sure my hon. friend (Mr. Frost) does not know

what the solution is, but I am sure there is a problem there that must be tackled in the near future, and I shall leave it there.

Further with respect to highways, I think there must be a definite expansion of development roads in old Ontario as well as in new Ontario. I know of instances, and so does every hon. member, where a municipality has a very difficult piece of road to build and to build that road according to specifications in the way it should be built means that municipality will not have any money to spend on any of its other roads during that year. I suggest to the Government it should be their policy, emanating through the Highway Department, that a stated mileage of development roads should be built every year in the various townships of the Province of Ontario. That is one way you would get a fair allocation of the taxpayer's dollar. That is one way to ensure relief very definitely from financial difficulty of the municipal taxpayers, and it is a way in which you would give them much better roads because they would not need to make such a terrific outlay on a small piece of road, and could improve their whole roadway system with the money they would otherwise have to spend for that purpose.

HON. MR. FROST (Prime Minister): I might point out the development road was just introduced about four or five years ago and it has come into very general application in all parts of the Province.

MR. OLIVER: I think the hon. Prime Minister (Mr. Frost) is a little enthusiastic when he says "general application". Its use is being steadily increased --

HON. MR. FROST (Prime Minister): That is right.

MR. OLIVER: But not nearly enough to meet the need which I think exists. I want to touch on another matter which was referred to by my hon. friend from Dufferin-Simcoe (Mr. Downer) this afternoon. He said that certain roads in his riding should be included in the township roads system. I want to make a particular plea to the Government in this respect. I asked, Mr. Speaker, a question on the Order Paper, and the answer has been tabled, and you will find that between 1944 and 1951, forty-three miles of county road have been absorbed into the provincial system, and that in that same period of time, 107 miles have been reverted to the counties. I do not know whether those are provincial roads or what.

HON. MR. FROST (Prime Minister): On the other side of the balance, though, are the development roads which have been built in the meantime.

MR. OLIVER: My hon. friend will appreciate that the development road is designed to meet a particular problem; it is not one which fits into the whole highway system of the Province as it is constituted, as between township, county and provincial roads; it is to meet a difficult terrain or big bridges that have to be built, or something of that kind. I suggest to the Government in all seriousness

that a time of great trouble is at hand for the counties because they cannot get rid of some county roads into the provincial system. That means the township cannot get rid of roads into the county system, and there is a definite bottleneck that has been developing I suppose ever since the last war. Before very long I think we have to meet that problem and initiate a policy that will take into the provincial highway system each year a stated mileage of county roads, so that, in turn, the county can take from the municipalities some of those roads that they wish to pass on because I believe unless that is done we are going to get into great financial difficulties and I do not think even the hon. Prime Minister (Mr. Frost) wants that, particularly if they have political application.

The question of snow plowing comes up and I want to put this before the House as my own view. I say to the House, Mr. Speaker, that in my judgment the Province should plow all roads in the Province of Ontario during the winter season. At the present time the Province plows the provincial roads and pays 50 per cent of the cost of plowing the township roads.

HON. MR. FROST (Prime Minister): Sometimes higher than that; sometimes 80 per cent.

MR. OLIVER: I ask my hon. friend: where is the common justice in a policy that is erected on discrimination, because there is nothing else this can be called except "discrimination." In certain

areas of the Province there is a very heavy snowfall, and the costs of snow removal are consequently very high and those particular areas have not very much money left to spend on their winter roads. I do not think any people anywhere should be penalized because they are situated in a particular locality.

HON. MR. FROST (Prime Minister): Might I point out to my hon. friend that our method of meeting that situation is better than my hon. friend's. We at least pay big percentages and we plow those roads. My hon. friend when he was in office virtually paid no subsidies and did not plow the roads at all.

MR. OLIVER: Mr. Speaker, that is the lamest excuse my hon. friend has offered this afternoon, becauae he knows quite well that the snow plow was just coming into being in those days; it was not the highly developed agency it is today, not only here but in other parts of Canada. My hon. friend wants to be fair but in this case he is quite a way from being fair. I say to him there is a valid argument as to why the Province should plow all roads in winter time, because if the roads are plowed the traffic that starts to roll on those roads pays a tax to the Provincial Government of 11 cents a gallon on gasoline, and it seems to me, if a logical system were worked out, it might be found over the course of time that it actually pays the Department to do the job in a scientific and systematic manner.

I want to touch on thisproblem, Mr. Speaker, and I think perhaps the hon. Prime Minister (Mr. Frost) has thought of it before; I believe there is an overlapping and a duplication of services as between the Province, the county and the municipality that could well be done away with. That overlapping occurs in this way: we have in this present day and generation very fine, up-to-date machines for the building of roads and for their maintenance. Great progress has been made in developing those machines. You have the Province buying these machines, you have the county buying them, you have the township buying them. I have always thought, and I cannot get it out of my head, that there should be a system worked out whereby a lot of this overlapping could be done away with, where there could be a concerted policy that would relieve the municipalities to a considerable extent in the buying of these new machines, and I think in the long run, Mr. Speaker, much better work would be done all round.

HON. MR. FROST (Prime Minister): Mr. Speaker, I may say that is done in machinery pools now.

MR. OLIVER: As between the county and the province.

HON. MR. FROST (Prime Minister): Yes, and the municipality.

MR. OLIVER: And the municipality as well?

HON. MR. FROST (Prime Minister): Yes.

The pool idea is one, but I think that policy should be extended and I believe if the efforts of the three levels of government interested in road building and in their maintenance were co-ordinated into a system, it would really work out at much less expense than the way we are doing it today. I offer these suggestions to the Government in the belief that they have some merit and in the belief too that the Government will give some study to them and that something may come out of them which will be beneficial to the municipalities as a whole.

In conclusion, Mr. Speaker,-- and I did not intend talking so long -- I want to say a word about a subject mentioned previously by the hon. member for St. David (Mr. Weaver), and it had to do with getting industries out in the outlying areas. Hon. members who have been here a long time know that I have always had the idea you could build a much stronger Ontario if you had the outside centres built up by the inclusion of industry within their borders. I am not one who believes we should take industry already established, pick it up and set it down in some other place in the Province, but I do believe that either through the Department of Planning and Development or some other Department, we could very well set up a master plan under which industries could be encouraged to locate in certain areas where their situation would make the maximum contribution to the economic fabric of the Province.

Mr. Downer retires.

(Take "K" follows.)

Mr. Speaker in the Chair.

MR. OLIVER: I think it is in England that before you can establish an industry, you have to obtain a permit, and in that permit you are pretty well told where the industry is to be established. That is good policy, whether it is in time of war, or in time of peace. In time of peace, when the war clouds are not threatening, it seems to me that if we look at this picture in a realistic way, we will come to the conclusion that there is not much sense in making the hub of our economic order stronger still, if we do not straighten the spokes which support that hub. There should be a determination to build up the outside areas of the Province of Ontario. The City of Toronto -- in my opinion -- and I say this quite frankly -- is quite large enough at the present time. I think any further growth would be harmful to the city of Toronto, and, indeed, harmful to the Province. It is much easier in times of recession to face the problems which arise in the smaller sections, than when congregated in the large city areas. In times of war, it is not arguable that we should go on and make the big, bigger still. Surely it is a sound policy, from a defence point of view, if from

nothing else, to set these industries out into the Province, where they would be safe from air attack, but where they would be able to make the maximum contributions to the life of the communities.

What is happening in this Province -- and all our members realize it -- is that we have a great metropolitan area along the lakeshore, and the rest of the Province pays toll to those in that area. I do not mean to be unkind in that reference; I mean that only in its simple application. It is far better, in my judgment, if we can -- and we can if we will -- develop a system whereby we can benefit all parts of the Province of Ontario, particularly these great northern areas. There is no reason why manufacturing concerns cannot be situated in Northern Ontario, and be enabled to make that contribution to the development of that great land.

We have done a little. I agree with the hon. Prime Minister as to that, but there is much more we can and should do, and I implore the Government, not in the interests of any political party, but in the interests of a continuing Ontario, that they use every medium they possess to broaden our economic base, and to bring security to manufacturing

concerns being situated outside the great metropolitan areas.

May I say, Mr. Speaker, it is my intention, and I hope the intention of those around me, to support the amendment to the motion in reply to the Speech from the Throne.

(Page K-4 follows)

HON. DANA PORTER (Attorney-General): Mr. Speaker, I have listened with pleasure and very great interest, as usual, to an address by the hon. Leader of the Opposition (Mr. Oliver). He is as eloquent as usual. However, I notice it is his second speech in the Debate on the motion in reply to the Speech from the Throne, and it was ofvery great interest to me to note that he hardly touched upon his amendment, in his speech to-day.

MR. OLIVER: It speaks for itself.

MR. PORTER: So does the hon. Leader of the Opposition. I was very much interested in many of the points he brought out in the after-thoughts, which were thrown in after the lengthy debate we have had.

One thing which appealed to me and interested me very much, being one of the urban members amongst this great wilderness of farmers for so many years, although I am now supported much more strongly by my own city, was that we have not been subjected to some of the criticism we formerly received, when I was one of the few stalwarts representing portions of this city. I think if the hon. members have listened closely as the hon.members for the different Toronto ridings have made their contributions to the Debate, they will realize that the representatives from the ridings in Toronto,

have been looking at the problems faced in this legislature through provincial spectacles, and have not attempted unduly to put forward some of the claims which this great city might have made upon this Legislature.

There is one thing I may say, Mr. Speaker, and that is from my long association with so many of the hon. members who have been closely connected with the rural way of life, I have never yet heard a political spokesman for a rural community admit that at any time the farmers had reached the peak of their prosperity. They have admitted the rural communities were prosperous, but never that they had reached the peak of their prosperity. The hon. Leader of the Opposition (Mr. Oliver) admits to-day that the farmers, on November 22nd, had reached the highest peak of prosperity ever reached in the rural life of this community. When I looked over a certain newspaper, which was published in great quantity prior to November 22nd, I noticed there was one who styled himself as a "part-time farmer", one who claimed to be the owner of an Ayreshire herd, made many statements, but I never saw reported that he said the farmers were enjoying the greatest era of prosperity they ever experienced. On the contrary, his picture of the farmer was one of gloom and depression and complaint. I do not know how the statement made to-day by the hon. Leader of the Opposition gibes with the

statements we read in such voluble "magnificence" -- although perhaps that is the wrong word, although the hon. Leader of the Opposition called us "majestic", so I suppose I can be equally courteous -- to the effect that there was such gloom on the part of the farmers which he said was probably due to the policies of this Government. It is refreshing to hear the hon. Leader of the Opposition "come clean" and admit at least that the condition of the farmers was never better than it is to-day, which, of course, is due to the acts of this Government during the past eight or nine years.

The hon. Leader of the Opposition seems to think that the election on November 22nd was the result of some strategic plan on the part of certain people on this side of the House. But what about the "part-time farmer" from Ontario County, who was calling elections every day, every week, and every month for so long that we finally got tired of it, and thought we might as well let the people decide.

I do not know that there are a great many things I need to say in reply to the very interesting afterthoughts of the hon. Leader of the Opposition. He raises the question of unemployment, and asked me to say something about it. The position of this Government and of its predecessor in office, as the hon. Leader

knows, and as was pointed out to him a few moments ago, has always been that the major responsibility for unemployment was Federal. That is a responsiblity which has always been maintained. When the question arose a few years ago concerning unemployment insurance, the hon. Leader of the Opposition suggested that some further amendment to the constitution might be necessary to deal with that particular phase of unemployment. That was never necessary before, when the Federal Governments in the past did make large contribution toward solving the problem of unemployment. But what has changed it to-day? The responsiblity was assumed then; why was it not assumed before? There has been no change. The position of this Government has ramained the same on that point. There is no reason in the world why the matter should not be dealt with fully and fairly with the Government which is primarily responsible.

But unemployment insurance is quite a different problem from the problem regarding assistance to the unemployed generally. The reason the constitution had to be amended was that the unemployment insurance proposal was an insurance scheme. It relied upon contributions by the employees, by the employers, and some contributions by the Government, to provide for looking after the workmen after they became unemployed, under certain conditions, and for a certain length of time.

A fund has been built up, and it has been held, in cases which have come before the Privy Council, that the subject matter of insurance is provincial, and, therefore, if the Federal Government was to become involved in a national insurance scheme to deal with the unemployment situation, there must be an amendment to the constitution to transfer that power within those limits to Federal authority. That was done. It was simply following the general view which has always been held in this country, that the Federal Government is responsible for unemployment, that is, the main responsibility is Federal, and always has been. But in order to complete and round out the whole program, and enable the Federal Government to do what they wished to do, and what everybody wished them to do, and what they were willing to do, to supplement a program for the assistance of the unemployed, a change in the constitution was made necessary for the purpose of permitting the Federal Parliament to set up an unemployment insurance fund.

The hon. Leader of the Opposition has said a great deal about what he called "the parade of praise". Personally, in reference to the "parade of praise", if that is what it was, I thought was very moderate and conservative in tone, but, as the Conservatives always are, their statements were accurate in all respects.

In my opinion, it is far preferable to the hornets' nest of abuses, to which we were subjected for so many years. We had a nest of hornets, but without very much sting, it is true, but you had the feeling you were in a hornets' nest, and that a great many unreasonable people were attacking the proceedings of this Government at every turn.

I was very much interested in what the hon. Leader of the Opposition, in his last speech, did not say. He did not tackle any of those problems which were so important to him that he put them in his amendment. He just rushed them off. He only dealt with certain things he never thought of mentioning in his amendment. He is not suggesting the Government is derelict in its duty. He did not suggest there should be a toll-gate on the highway; he does not mention unemployment in the amendment, he did notsuggest anything about the snowplowing of the roads. Apparently, in the hon. Leader of the Opposition's mind, this is just the last-moment window dressing, so he can say that he made a speech about it, but he does not mention anything to which he referred in his amendment; he does not let them get on the order paper, nor put himself on record about these very important matters which I have dealt with as best I can. He does say something about other things, and some of the matters have been mentioned

in more or less detail.

I would have liked to see in his amendment some mention of conservation. Well do I remember the days when I was in that new Department of Planning and Development, and in this House we had a conservation program, for which the hon. Leader of the Opposition showed no enthusiasm whatever -- none whatever. I remember on one occasion he made a great speech -- perhaps even greater than the one he made to-day -- attacking everything which had not been done. I replied in a three and a half hour speech, and the hon. Leader of the Opposition never said anything more about it until to-day. I kept him quiet on that subject until to-day. I want to remind the hon. Leader of the Opposition, who is now such an enthusiast of something which was just then beginning, something which had never been touched upon in the barren, sterile years of the previous Government, that to-day we have nineteen conservation Authorities. We have had a Conservation Committee which brought in a very fine report, and the hon. Leader of the Opposition seems to think we never did anything about it. However, I will not go into details about it, because there is too much in it which has to do with the rural way of life, and I may say the wrong thing. But let me say that of all

recommendations made by the Conservation Committee, forty-eight have been wholly or partially implemented; there are nineteen recommendations to which further study is being given, and seventeen are being held in abeyance. To suggest that does not show substantial progress in a comparatively short time is just one of those absurdities to be expected from the hon. Leader of the Opposition as there really is not very much criticism of substance to level at this Government, because I believe that in the heart of the hon. Leader of the Opposition, he does not think this Government has done too badly in regard to these matters. I think, in view of the fact that he hardly mentioned his amendment, which sounded so formidable, that perhaps all of the things he was going to say about it, just evaporated, and I thought that perhaps he was going to withdraw this amendment. He should know there is really no substance in the amendment, and he should realize that he has failed completely to substantiate the allegations he has made in such a bald, general and non-specific fashion.

May I say, Mr. Speaker, that since these Conservation Authorities have been set up, over one million, nine hundred and forty-two thousand dollars has been spent on the entire program. Is that nothing?

Is that a complete failure to implement the recommendations of the Committee? We have in past Sessions passed some legislation to implement the recommendations of the Committee and we have accomplished a very great deal in a very short space of time.

There is one thing I wish to mention which is not dealt with in the hon. Leader of the Opposition's amendment. I assume everything which has been omitted from the amendment must be something with which the hon. Leader of the Opposition iscompletely satisfied or he would have put it in the amendment.

MR. OLIVER: It will be in future ones.

MR. PORTER: We will watch carefully to see if you repeat any of these.

I was very much impressed with the address by the hon. member for Kenora (Mr. Wren), in spite of the fact that I have great faith in our own hon.member, we do find that even from the Opposition benches, we sometimes get a good speech. I think the hon. member for Kenora made an excellent speech. I was interested in what he said about the provincial police, and I can assure the hon. member and this House that the position of the Provincial Police is constantly under review by my Department and this Government. May I remind the hon. members that a year ago, the pay of the

Provincial Police, and also that during the course of the year, within a very few months after the prorogation of the last Session of this Legislature, it was increased again. I said at that time -- and I repeat -- that the whole position of the Provincial Police Force is constantly under review, and we are endeavouring at all times to maintain their position as it should properly be, in view of the changed living conditions of the times.

Another thing the hon. member for Kenora (Mr. Wren) mentioned was housing for the Provincial Police. That is a very acute problem, in some places. The Government has had that under consideration, and I am glad to have the matter raised in this House and while it was not entirely because of the suggestion made by the hon. member, that I have referred to this subject to-day, because it is something which is constantly before us and is one of the problems we have to face as the times change.

In certain places housing is a very serious matter for the Provincial Police, especially when they and their families arbitrarily are moved from place to place. The Government is prepared toapply the provisions of the Housing Legislation to build, in places where it is necessary, desirable houses for the Provincial Police

to ease the situation in places where the housing shortage is very acute and where they aresuffering due to that reason. Some arrangement will be worked out to bring the rentals in line with what they otherwise would be paying. There is no reason in the world why we should not adopt the legislation now before this House with reference to houses for rent, and use some of those houses for employees of this Government who hold the positions of Provincial Policemen, and who may have to move from place to place at a moment's notice, from time to time. That is something we are prepared to do, and something which I have great pleasure in announcing at this time, especially in view of the fact that the hon. member for Kenora (Mr. Wren) raised it so effectively in the course of this Debate.

Mr. Speaker, listening to this Debate from the beginning, may I say I think there has been a great improvement here as a result of the elimination of many people, and also as a result of some new hon. members coming in. However, that is something perhaps that would best be left unsaid. May I suggest to the hon. Leader of the Opposition that before he discusses with too great enthusiasm the high prosperity of the farmers, as it was on November 22nd, he consult with

person who presented such a different picture at that time.

Mr. Speaker, I do not know that there was ever a time when the hon. members of this House can so completely, and with such great satisfaction, endorse in all respects, resolution for the adoption of the motion for a reply to the Speech from the Throne. The Speech from the Throne forecast sound legislation, much of which is already before us. It represents good Government. The one thing which disturbs me and makes me feel sorry is the embarrassment of the hon. Leader of the Opposition (Mr. Oliver) in attempting to find any real fault with what this Government has been doing.

MR. SPEAKER: Mr. Robarts moves, seconded by Mr. Root, that:

> "We, Her Majesty's most dutiful and loyal subjects of the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us".

Mr. Oliver moves, seconded by Mr. Nixon, that:

> "That the Motion for an Address in reply to the Speech of the Honourable the Lieutenant-Governor now before the House be amended by adding thereto the following words:-
>
> But this House regrets:
>
> 1. THAT no definite interim assistance is

being provided by the Government for the relief of Municipalities pending the report of the Provincial-Municipal Committee;

2. THAT the government has failed to provide adequate assistance to meet the rising costs of Education in the Municipalities.

3. THAT the government has failed to disclose any plan to remedy the obvious defects in The Labour Relations Act (1950).

4. THAT the government has failed to forecast legislation which would implement the unanimous recommendations of the Select Committee on Conservation.

Mr. Grummett moves, seconded by Mr. Thomas (Ontario):

That the Amendment to the Motion for an Address in Reply to the Speech of the Honourable the Lieutenant-Governor now before the House be amended by adding thereto the following:

"And this House further regrets that the Government has failed to supplement the inadequate pensions paid to the recipients of Old Age Assistance, or to provide relief for employable unemployed men and women and their families who are at present in serious need."

The vote is on the amendment to the amendment.

The amendment to the amendment was negatived without division.

The amendment to the Motion was negatived on division.

AYES 10

NAYS 76

The Motion was agreed to on division.

AYES 76

NAYS 10

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move, seconded by Mr. Porter, that to-morrow this House resolve itself into Committee of Supply.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move, seconded by Mr. Porter, that to-morrow this House resolve itself into Committee on Ways and Means.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move the adjournment of the House.

Motion agreed to.

The House adjourned at 6:30 of the clock p.m.

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ONTARIO

First Session

of the

Twenty-Fourth Legislature

of the

Province of Ontario

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Toronto, Ontario, February 21, 1952, et seq.

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Volume XXI

Thursday, March 20, 1952.

0

HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Chief Hansard Reporter
Parliament Buildings
Toronto

S E C O N D ERRATA.

Toronto, Ontario.
March 20, 1952.

- - - -

Vol. 20. Page A-3; last line: After the last word on the page, please insert, "because I am not referred to in that".

- - - - - - - -

T W E N T Y - F I R S T D A Y

P R O C E E D I N G S

of the

FIRST SESSION OF THE TWENTY-FOURTH LEGISLATURE, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, ON THURSDAY, FEBRUARY 21st, 1952, et seq.

Hon. (Rev.) M. C. DAVIES, Speaker,
Presiding.

- - - - - - -

Toronto, Ontario,
Thursday, March 20, 1952.

- - - - - - -

The House having met. 3 o'clock p.m.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports of Committees.

MR. W. M. NICKLE (Kingston): Mr. Speaker, I beg to present the Fourth Report of the Standing Committee on Private Bills and move its adoption.

CLERK ASSISTANT: Mr. Nickle from the Standing Committee on Private Bills presents the following as its Fourth Report:

Bill No. 23 - An Act respecting the Township of Pelee.

Your Committee begs to report the following Bills with certain amendments:-

Bill No. 4 - An Act respecting Sarnia Young Men's and Young Women's Christian Association.

Bill No. 11 - An Act respecting the Synagogue and Jewish Community Centre of Ottawa.

Bill No. 22 - An Act respecting the Young Men's Christian Association of Belleville.

Bill No. 32 - An Act respecting the City of Kingston.

Your Committee would recommend that the fees less the penalties and the actual cost of printing be remitted on Bill No. 4, An Act respecting Sarnia Young Men's and Young Women's Christian Association; Bill No. 11, an Act respecting the Synagogue and Jewish Community Centre of Ottawa; and on Bill No. 22, An Act respecting the Young Men's Christian Association of Belleville.

All of which is respectfully submitted.

Motion agreed to.

MR. SPEAKER: Introduction of Bills.

Orders of the Day.

HON. G. A. WELSH (Secretary and Registrar): Mr. Speaker, I beg leave to present to the House the Report of the Workmen's Compensation Board of Ontario for the year 1951.

MR. SPEAKER: I would like again to welcome the various schools represented in the East and West Galleries -- the Lawrence Park Collegiate and the Owen Sound Collegiate, the Orde Street School and Saint Basil's School, and I would say we are very, very happy today to have had the students of these various schools present with us in our sitting of the Legislature.

Orders of the Day.

HON. M. PHILLIPS (Minister of Health): Mr. Speaker, just before the Orders of the Day I would like to extend a welcome to all the children here and especially those from the Owen Sound Collegiate and I want to congratulate Mr. Little, in charge, for bringing these children here, because I feel that it is a great education for them. I certainly want to extend a warm welcome to them all.

MR. SPEAKER: Orders of the Day.

HON. L. M. FROST (Prime Minister): Mr. Speaker I beg to table Answers to Questions 10, 18, 39, 41, 56, 62 and 64. We have done pretty well.

MR. SPEAKER: Orders of the Day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I have two messages from The Honourable the Lieutenant-Governor, signed by his own hand.

MR. SPEAKER:

> "The Lieutenant-Governor transmits Estimatesof certain sums required for the services of the Province for the year ending 31st of March, 1953, and recommends them to the Legislative Assembly.
>
> "Signed , Toronto, March 20th, 1952."
>
> "The Lieutenant-Governor transmits Supplementary Estimates of certain sums required for the services of the Province for the year ending March 31st, 1952, and recommends the to the Legislative Assembly.
>
> "Signed, Toronto, March 20th, 1952."

HON. L. M. FROST (Prime Minister): Mr. Speaker, I move that the House resolve itself into a Committee of Supply.

Motion agreed to.

House in Committee of Supply.

Mr. Speaker in the Chair.

BUDGET FOLLOWS

BUDGET SPEECH OF

THE HONOURABLE LESLIE M. FROST

TREASURER OF THE PROVINCE OF ONTARIO

TO BE MADE IN THE LEGISLATIVE ASSEMBLY

THURSDAY, 20TH MARCH, 1952.

PRESS RELEASES

To all Newspapers
and Radios - 1:30 p.m.

BUDGET ADDRESS

Delivered By

HONOURABLE LESLIE M. FROST
Treasurer of the Province of Ontario

in the

LEGISIATIVE ASSEMBLY OF ONTARIO
THURSDAY, MARCH 20TH, 1952

HONOURABLE LESLIE M. FROST (Treasurer of Ontario) moved:

That Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply.

He said: Mr. Speaker, on this, my tenth occasion of making the traditional motion on the Budget presentation, it is opportune to review present economic conditions in Ontario and the application of our basic policy on surplus and debt that I first enunciated in 1944. This policy has been approved by the people in the general elections of 1945, 1948 and 1951, and we have not deviated from it.

Against the background of outstanding developments in Canada as a whole, the economic growth of Ontario has been impressive. Expansion has been very marked in mining, forestry, construction, hydro-electric power and in the chemical and heavy manufacturing industries. The continued high level of capital investment and employment affords ample testimony that confidence in the basic soundness of the Province is undiminished.

Consumer retail sales at the beginning of 1951 reflected the inflationary boom of which they were an important part. The anticipation of impending Federal credit restrictions and higher excise taxes led to intensified production and sales of commodities which it was correctly assumed would become subject to heavier restrictions and taxes. A sharp reaction from this feverish buying was inevitable. Part of the sales occurring in the first three months of 1951 were in effect borrowed from the later months. But the readjustment, with its resultant effect on employment, has gone further than most expected. In consequence, Federal credit restrictions have been relaxed, and additional steps will no doubt

be taken to meet the situation.

Not all the slackening in consumer spending and retail sales can be attributed to the anti-inflationary program. Some international prices were beginning to fall; foreign competition was being increasingly felt in domestic textiles and other industrial fields. The postwar backlog of consumer wants was vanishing, and temporary saturation points were being approached at prevailing prices in some lines.

In spite of some adverse developments, the past year has been one of extraordinary growth and progress. Ontario's provincial product in 1951 increased by about 17 per cent in value and 6 per cent in volume to a total of $8.7 billion. Personal income in Ontario rose by $1.0 billion; labour income by approximately $600 million; farm cash income was 17 per cent, or $116 million, more than in 1950.

Private and public investment in Ontario, one of the outstanding characteristics of our postwar economy, rose in 1951 to $1 3/4 billion, an increase of 22 per cent over the previous year. As in past years, approximately 21 cents out of every dollar spent in Ontario was devoted to the expansion of industrial plant, machinery and equipment, housing and other capital assets. There is no better evidence of the vigour of Ontario's industry and faith in the future of the Province than this investment in the capital assets of the Province -- $7.7 billion since 1944. This Province has done very well indeed.

Export trade, another of the dynamic forces in the economy, rose to a new high level, both in value and volume terms. Ontario's primary and secondary industries, which contribute substantially to this export trade, were in almost all lines operating under forced draft. Canadian domestic exports in 1951 totalled nearly $4.0 billion, an increase of 26 per cent in value and 9 per cent in terms of physical volume over 1950. Consumption of electrical energy in Ontario showed an increase of 16 per cent over consumption in the same period a year ago.

In terms of population, Ontario's natural increase (births less deaths) totalled over 71,000 last year. As in the case of births, the rate of natural increase approximated the highest level this Province has experienced in the last fifty years. As to immigration, last year 54 per cent

of all those coming to Canada gave Ontario as their destination. Our gross population gain was over 176,000 and after allowing for emigration from Ontario, the net increase was probably about 160,000, exceeding the largest previous yearly increase by 45,000. Ontario's present population is nearly 4 3/4 million.

Influenced by recruitment from the flow of immigration and from our own native born who in the year reached working age, the volume of employment attained a record high level in 1951. By August, the number of Ontario men and women with jobs had risen to nearly 1,900,000, an increase of 58,000 in the year.

Despite tighter credit conditions, the dropping of the 1/6th provision on N.H.A. loans (partially restored in October) and higher interest rates, the number of completions of new residential dwelling units in Ontario in 1951 was the highest in the history of the Province. The position of Ontario in this respect is unique, for it is the only province to show an increase in housing completions over those of a year ago. The number of starts and houses under construction is, however, lower than a year ago, and unless conditions change drastically a drop in completions in 1952 is unavoidable. Both starts and houses under construction were also lower in all the other provinces.

The story in Ontario is one of development in every field. In agriculture, preliminary estimates place the gross value of Ontario's agriculture output in 1951 at over $1\frac{1}{4}$ billion, about 15 per cent greater than in 1950. Increased returns from the sale of livestock and field crops were largely responsible for the higher dollar value. In the main, this increase was the result more of higher prices than of greater output from Ontario farms. But, by and large, the industry achieved a slightly larger output with a smaller labour force. The decline in the farm labour force was offset by increased mechanization and by the extension of rural power.

In forestry, Ontario's gross value of production is estimated to have increased about 20 per cent in 1951. Higher outputs were realized by sawmill and pulp and paper industries. The output in pulp and paper was substantially higher. Export figures showed a marked increase.

In mining, the increase was over 19 per cent. The output of Ontario mines reached an all time high of $437 million. During the past year, iron ore development has been further advanced, providing a foretaste of the great future for iron production in this Province. Nickel was the leading mineral produced in Ontario and it ranked second in all Canada, replacing copper. Gold production, beset by operating difficulties and the loss of the exchange premium, declined slightly, but it was still the leading mineral in Canada and occupied second place in Ontario.

In manufacturing, activities in the Province are yearly assuming new importance. Manufactures now provide employment for 52 per cent of all the working men and women in Ontario industry who are on salaries or wages. The gross value of manufacturing production in Ontario in 1951 was estimated to have been over 20 per cent higher than the previous year.

The capacity of Ontario industry to produce is rising. This means that we are to an increasing extent enjoying the fruits of our past capital investment in the expansion and modernization of our industrial plant and machinery. Ontario is providing not only a healthy environment for the expansion of established industries but a strong attraction for new industries. Hundreds of projects, large and small, have been located throughout Ontario, and will have important consequences for the industrial growth of this Province. Many of these developments are taking place in the smaller communities, and we cannot doubt that this movement is in the general economic and social interests of the people. The number of manufacturing establishments in Ontario is increasing by several hundred annually, but a large part of the increase in capacity is taking the form of expansion by established plants.

CHANGES IN THE MONEY MARKET

Federal fiscal measures designed to control inflation were reinforced by several monetary steps to tighten up credit and investment money. At first, this action was on a modest scale and made little impression. On September 30, 1950, the Government abandoned its official buying and selling rates for the Canadian dollar. Two weeks later, on October 17, 1950, the Bank of Canada moved to control credit expansion by raising the bank rate from 1½ per cent to 2 per cent. Although the direct effect of this action

was almost negligible, the raising of the bank rate was a clear signal that the cheap money philosophy had for the time being ended. Since the creation of the Bank of Canada in 193[illegible], there had been only one previous adjustment in the bank rate. That occurred in 1944, when the rate was reduced from 2½ per cent to 1½ per cent.

The attack on inflation by monetary measures was the first major reversal in the policy of the Bank of Canada since its inception seventeen years ago. Through eleven years of war and postwar reconversion an easy money policy had reigned; and it is one of the remarkable features of this whole period that, despite the financing of heavy public and private war and capital expenditures, interest rates on high grade bonds tended to move downwards. But for a year and a half now the prices of Canadian bonds have been declining and interest rates rising. The Dominion of Canada perpetuals, which were selling above par in October, 1950, were down to 85 and 86 at the beginning of January, 1952. Dominion of Canada 2½ per cent bonds, due in 1968, dropped to 90½ to 91.

The decline in the price of Government of Canada bonds created an entirely different situation for the marketing of provincial bonds. So long as Government of Canada bonds were selling above par, the provinces could count on a fairly active market for new issues. When Federal Government bonds moved below par, provincial bonds were no longer so attractive. Financial institutions were understandably no more eager to sell their Canadian bonds at a loss than any other investor -- thus, a thinner market for provincial and municipal bonds.

This deterioration in the supply of money for new bond issues has come at a time when the Province's requirements in the way of capital issues, particularly on behalf of the Hydro-Electric Power Commission of Ontario, are exceptionally large. Last year it was indicated in the Legislature that new action would have to be taken and our statutes were amended accordingly. As a result, the Province entered the New York market on two occasions during the past year with issues of $50 million each for the purposes of the Hydro-Electric Power Commission of Ontario. Additionally, the Government maintained its interest in the Canadian market. Two issues, one for $30 million and the

other for $50 million, were made for Hydro, and the Province itself entered the market, principally for refunding purposes, for a loan of $50 million, making a total of $130 million raised in our own markets.

Ontario's New York loan last May was the first long-term issue the Province has sold in this market in twenty years. Hydro's experience with its May issue had not encouraged us to believe that the Canadian markets, under the unusual conditions which I have outlined, were capable of absorbing another loan so soon. Interest rates, of course, had risen in New York as well, but because of the extent of their market, we found that we were able to borrow amounts which at that time were not available in Canada.

The effect of increases in interest rates is, of course, manifest in our issues. We have been obliged to pay from about ½ to 1 per cent more than we would have had to pay on comparable loans a year and a half ago. This is in line with the rates on other government issues. The terms upon which we have sold our bonds are favourable in the light of the recent experience of other borrowers and, indeed, they are a tribute to the sound credit position of this Province, to which I shall refer later, and to the Government's practice since 1943 of building up sinking funds and retiring debt out of surplus account -- a practice from which we have not departed over the years. It is to this policy and to the strong control which we have maintained over our net debt, which must be paid from taxes, that our strong fiscal position can be attributed. This has given us the financial strength to finance self-liquidating projects, such as Hydro, which in the past few years have involved over $700 million in financing, and it is this strength which makes it possible for us to face developmental projects, such as the St. Lawrence, with positive confidence in our ability to carry out our commitments.

While we recognize that a low interest rate policy is at present in conflict with the measures adopted to combat inflation, nevertheless, I am referring back to a statement made in 1944 by Mr. G.F. Towers, Governor of the Bank of Canada, when he explained the reasons for the reduction in the bank rate at that time. He said,- "the prospect of unstable interest rates could make it exceedingly difficult for business to formulate long term plans.

Moreover, high borrowing costs would hamper new investment in plant, equipment and housing, would restrict the expansion of employment, and would seriously complicate the task of government financing."

There was great cogency in Mr. Towers' remarks then and there is some application to the present situation. A slightly firmer tone developed in the money market this last January, but we should like to see further improvement to the end that the needs of Hydro and our own capital undertakings are met, as well as those of our municipalities, industry and the people who are seeking to establish themselves in homes of their own.

Ontario is old enough to value thrift and saving and young enough to need investment capital and to be able to make effective use of it. It is no exaggeration to say that the future productiveness of our industrial structure depends on how wisely we are able to add to our capital stock. A high rate of investment in production facilities gives better assurance that the problems and tasks of tomorrow will be lighter than those of today.

SOME FACTORS IN 1952

The immediate economic outlook, although not so trouble-free as a year ago, has many undercurrents of strength. The increase in defence spending will add nearly 3 per cent to our total national expenditure, and will inevitably set up a train of secondary effects amplifying the initial outlay. The distribution of an additional $200 million for old age pensions will mean a boost to consumer expenditure. Continuation of the capital investment boom in defence industries and in primary resources, particularly mining and forestry, is assured. The pace of general construction should continue largely unabated. It is hoped that there will be further relaxation in Federal credit restrictions on housing, which is showing some softness. Exports in 1952 will again be at a high volume. The high rate of population growth throughout the democratic community of nations carries a presumption of increased long term demand for the products of our farms, mines and forests and manufactures of one kind and another.

The drying up of credit and lending in the money markets curbs construction of housing and other capital works, affecting building suppliers and employees in these fields. Shortages of steel and other structural

materials may form an even more effective barrier to expansion. Among the unpredictable elements in the 1952 picture is the increased volume of savings of private individuals estimated at $961 million more than in 1950.

Sound economy and thrift are two of the sounding posts of progress. They should be practised by governments and individuals. The past year has demonstrated the tremendous productivity of our industry. Inflationary pressures are considerably less today than they were a year ago, and our enlarged productive capacity has gone a long way towards relieving that condition. By and large, the future is bright. Our financial position is sound. The world is turning its eyes to Canada and in the Canadian picture Ontario looms large. 1952 should be a good year.

TAXATION, SURPLUS AND DEBT

This brings me to a discussion of the policy which I set out in my first Budget Speech, delivered on the 16 of March, 1944. The question may well be asked: how has this policy worked out in these years of spectacular expansion and development where at every hand we see signs of growth and development? The policy we set out at that time has been followed unswervingly and unhesitatingly. As I have said, it has had the endorsation of our people in three general elections. During the last general election, and, indeed, in some newspaper comments since, there have been attempts to distort what we are doing and what we have done. May I assert that the policy we have followed is one which has contributed greatly to the financial strength of this Province. The fact that we have a large reservoir of credit available has made it possible for us to find the hundreds of millions of dollars required for Hydro, highway and other expenditures. It made it possible, without a moment's hesitation last July, for us to say that in partnership with the Federal Government we were prepared to go ahead with the seaway and power development on the St. Lawrence as an all-Canadian project.

I refer the Members of the House to the first fifteen pages of that 1944 Budget presentation dealing with the policy we have since followed. There, will be found a description of revenue producing and realizable debt, gross debt, and the all-important net debt, which

must be paid from the taxes of the people and bears interest which is each year a first charge on our revenues. As I pointed out at that time, this type of debt had grown from virtually nothing at the commencement of the century to approximately $\$\frac{1}{2}$ billion in 1943. This type of debt is inseparable from surplus financing. If services are provided on ordinary account which increase the net debt, then we create a charge against each and every one of us on our future income.

It is, of course, necessary for us to use our credit. We have not taken the position that all of the capital costs of highways should be paid out of the revenues of one year. That is an extreme position. Credit, however, should be soundly used. It is a real asset which should always be conserved. Times come in the life of a Province when, because of recession or other conditions, it is necessary to increase the net debt. But in times of buoyancy, it is the way of prudence to pay as much of our capital costs as we can from current revenues.

When I say, pay as much of our capital costs as we can, this brings me to the matter of taxation. We could pay all of our capital costs which are chargeable to net debt out of current taxes if we desired to impose the taxes. It has been our belief that in these days of high living costs and inflationary trends the best contribution we can make to containing that inflation is to carefully control our net debt, the class of debt which is payable from the taxes of our people.

Ontario has the lowest provincial taxation in Canada. We have no personal income tax, although we feel the Federal Government should credit us with 5 per cent of their collections, which has not been done. We have no sales tax, tobacco tax, meal tax or any taxes of that sort. Our taxes are of that class which have the lowest impact on the cost of living, and outside of corporation tax, our revenues come very largely from services which are provided. Such taxes include gasoline and motor licence fees, royalties on natural resources and profits on commissions operated by the Government. Our two-fold objective has been to keep our taxes low -- in which we have been successful -- and to so conduct our business that we can apply surpluses to the control of our net debt and by paying what we can on current capital costs and increasing sinking fund payments, keep our credit

healthy and strong and reduce the interest bill and service cost which go with the rise of debt.

Net debt can be increased by deficits on ordinary account. We have avoided deficits. We have had nine consecutive surpluses -- a series that is unprecedented in the history of this Province. The other principal cause of net debt increase arises from borrowing to meet the capital cost of highways and public works.

The course we took in 1944 was designed: First, to provide for a sinking fund which would extinguish the then existing net debt of $495 million over a period of not more than fifty years. That is the amount which is set forth each year in the sinking fund provision. Secondly, to use our highway revenues to pay the ordinary cost of operation and maintenance, subsidies to our municipalities, interest on the present highway debt, the amortization of new debt created, and after these charges to apply any balance which exists to surplus account to extinguish capital debt in the year in which it was incurred. Thirdly, with respect to public buildings and other works, which are not revenue producing, to pay as much as possible of the cost of construction of such works out of ordinary revenue. In other words, to apply surpluses which could be accumulated from the businesslike operations of the Province to the extinguishment of this debt in the year in which it was incurred.

Eight years ago I said in describing this policy -

> "All of the foregoing is, of course, predicated upon governments having the wisdom to tax for services which are given. The rule should be that we have balanced budgets and a wise use of our credit. A disregard of these principles will impair or destroy our credit, which is one of our greatest assets, and will place our Province in a debt-ridden position."

I am glad to be able to say that we have followed this policy unswervingly and with salutary results. I may point out that our practice is to allocate many of the charges which might be regarded as capital, such as re-aligning and eliminating highway grades, to current account and to increase our sinking fund provisions beyond those required for extinguishing the net debt of 1943 in fifty years. In the last nine years, we have paid $110.3 million into sinking fund -- 22 per cent of the net debt outstanding on March 31, 1943. This result justifies our increasing the sinking fund payments.

Another way of illustrating what we have done is this: for the eight years up to March 31, 1951 we have increased our physical assets by the amount of $215.2 million. This is in capital construction, including highways and buildings. During the same period our sinking fund provision and surplus have amounted to $188.6 million which means that we have met 87.6 per cent of capital construction during that period from ordinary account. The balance has been added to net debt which has increased during that period by $26.1 million, making the net debt as of the 31st March, 1951 $521.6 million. This is a very vivid illustration of how we have controlled our net debt during the period.

We would not approach the point of taxing beyond what is necessary until we reach the point of paying all of our capital costs for every year within the year in which they were incurred and then providing for debt retirement in excess of that needed for extinguishing the debt within the fifty year period. We have never had any such objective as that. We have felt that such a policy would be extreme and would require the imposition of more taxes. We have never taken the position that we should pay all of the capital costs in the year in which they are incurred. Our position has been a moderate one of applying what we reasonably can against new debt and amortizing the balance.

I append hereto a statement which was, in part, in my Budget Address of 1944, and has now been brought up to date. This shows our position in the various classes of debt to which I have referred.

TRENDS IN ONTARIO'S DEBT, 1930 TO 1951

(Totals in Millions of Dollars)
(Per Capitas in Dollars)

	1930 Oct. 31	1931 Oct. 31	1932 Oct. 31	1933 Oct. 31	1934 Oct. 31	1935 Mar. 31	1936 Mar. 31	1937 Mar. 31	1938 Mar. 31	1939 Mar. 31	1940 Mar. 31
Liabilities represented by Revenue-producing and Realizable Assets, being money advanced by the Province to Hydro, Ontario Northland Rly., Farm Loans Bd. etc.	260.6	276.6	296.8	294.7	297.3	295.9	283.6	251.1	239.7	234.5	229.8
Net Debt which must be paid from Taxes	212.7	244.0	277.6	299.4	358.5	378.5	406.0	405.4	438.3	478.2	507.2
Total Gross Debt as shown in Public Accounts	473.3	520.6	574.4	594.1	655.8	674.4	689.6	656.5	678.0	712.7	737.0
Net Debt per Capita ($)	62.82	71.10	79.93	85.25	101.16	106.80	113.57	112.42	120.51	130.23	136.79

	1941 Mar. 31	1942 Mar. 31	1943 Mar. 31	1944 Mar. 31	1945 Mar. 31	1946 Mar. 31	1947 Mar. 31	1948 Mar. 31	1949 Mar. 31	1950 Mar. 31	1951 Mar. 31
Liabilities represented by Revenue-producing and Realizable Assets, being money advanced by the Province to Hydro, Ontario Northland Rly., Farm Loans Bd. etc.	223.4	217.6	209.4	184.0	166.2	160.9	152.1	161.6	145.0	185.2	176.4
Net Debt which must be paid from Taxes	506.2	507.1	495.4	482.5	480.3	478.4	493.1	466.8	483.7	508.8	521.6
Total Gross Debt as shown in Public Accounts	729.6	724.7	704.8	666.5	646.5	639.3	645.2	628.4	628.7	694.0	698.0
Net Debt per Capita ($)	135.09	133.89	127.56	123.24	121.20	119.60	120.47	111.77	113.14	116.22	116.65

How well we have been able to control our net debt is shown by the fact that on March 31, 1940, it stood at $507.2 million and on March 31, 1951, at $521.6 million. In the first forty years of the century when our population was much smaller, approximately $500 million was added to our net debt; in the next eleven years only $14.4 million. Of course, in this latter period were the war years when there were little, if any, capital expenditures. Nevertheless, since 1945, we have seen the spectacular expansion of Ontario, a period when we might have expected to call very largely on our credit. This is a remarkable record, indeed. It is fair also to say that the $521.6 million, under date as of March 31, 1951, bears a very different relationship to our income than did the $507.2 million as of March 31, 1940. Since that time the value of the assets of Ontario has increased mightily. Our net ordinary revenues, due to the expansion of Ontario, have risen from $88 million to $265 million last year. In 1940, the net debt was nearly six times revenue; in 1950-51 it was less than twice as much. The purchasing value of the dollar is, of course, less. Accordingly, the burden of our net debt is a great deal less than in 1940.

As to the future, we shall be faced with net debt increases unless we increase taxation, which I think we are wise to avoid. In this period of high cost of living I think it is fair that we should moderately use our credit to avoid raising taxes. We should apply the principles of our policy of 1944, namely, to increase our sinking fund and retire our old debt within the term set out and apply any surplus above that to the retirement of new debt resulting from capital works, thus making provision for the amortization of our net debt over a reasonable period of years. This is the policy we have followed which has kept Ontario's credit bright and clean and placed us in the strongest financial position in our history, particularly from the standpoint of our credit. Again I emphasize that we have the lowest provincial taxation in Canada, taxation arising almost in its entirety from services which we render or resources which we sell.

If our surplus were such that we were making no additions to net debt, our situation would be different. We would then be in the position that we would be applying all our surplus to the reduction of old debt over and above our sinking fund requirements. If we were in that position we could

consider further tax reductions, but we are not. Our position is that for a number of years, indeed, for the foreseeable future, we shall have to make additions to our net debt. Our objective must be to keep such additions as low as possible. If we reached the position that the additions became too large we would be obliged to increase taxes, as outlined in the 1944 policy, to take care of them.

DOMINION-PROVINCIAL RELATIONS

I shall not elaborate upon what has taken place in this important field as I referred extensively to it last September, and again in the House during this Session. I shall merely point out that we have occupied only a portion of the taxing field which we could have rented under the proposal of 1945-46, and still we have realized more from the portion of the field which we have occupied than we would have from the rental for the whole field.

The following statement shows results to March 31, 1952, but as part of the Federal rental will be paid after March 31, and, as there will be arrears of taxes collected by the Province after that date, it has been adjusted to take these backlogs into account.

FEDERAL GOVERNMENT'S PROPOSED PAYMENT TO THE ONTARIO GOVERNMENT UNDER FEDERAL-PROVINCIAL TAX AGREEMENT COMPARED WITH REVENUE FROM TAX AND OTHER SOURCES RETAINED BY THE PROVINCE, FISCAL YEARS 1947-48 TO 1951-52

(Thousands of Dollars)

	1947-48	1948-49	1949-50	1950-51	1951-52	Total	Backlog	Grand Total
Proposed Federal Rental Payments: (1)								
Adjusted on final 1951 census population and latest estimates of gross national product per capita	58,095	79,387	86,488	95,419	104,438	423,827	25,719	449,546
Ontario's Revenue from Tax and Other Sources Retained:								
Statutory Subsidies	3,155	3,155	3,155	3,155	3,641	16,261	-	16,261
Corporations Tax	44,664	60,712	64,154	76,254	90,000	335,784	-	335,784
Succession Duties	17,945	15,995	14,978	17,828	19,500	86,246	-	86,246
Excess of Mining Royalties over amount that could have been collected under Federal proposal without raising the level of taxation	1,400	1,400	1,400	1,400	1,400	7,000	-	7,000
Excess of Logging Royalties over amount that could have been collected under Federal proposal without raising the level of taxation	-	-	-	-	1,000	1,000	-	1,000
Backlog of collections due to Province from corporation taxes, succession duties, mining and logging taxes	-	-	-	-	-	-	10,000	10,000
	67,164	81,262	83,687	98,637	115,541	446,291	10,000	456,291
Surplus or Deficiency (-) of Collections from Revenue Sources Retained over Rental Payments	9,069	1,875	- 2,801	3,218	11,103	22,464	- 15,719	6,745
Personal Income Tax not collected by Province but held in reserve at 5% as per Federal proposal	13,993	14,691	11,474	13,500	17,500	71,158	-	71,158
Total Surplus or Deficiency (-) of Ontario Revenue Fields Retained over Rental Payments	23,062	16,566	8,673	16,718	28,603	93,622	- 15,719	77,903

(1) The fourth instalment of the rental payment owing in respect to each fiscal year is not payable until June 30th of the following fiscal year. The slightly higher rental payments shown in this statement compared with previous statements arise from the use of final 1951 census population figures which have now become available.

| | | |

For the year 1952-53 we have prepared and balanced our accounts. We are budgeting for a surplus. None of this precludes the possibility of the Province entering into an agreement or agreements on tax matters. The door is wide open for discussion. In fact, discussions have been held and views have been exchanged on a variety of subjects. For the last five years we have been able to stand on our own feet without having hurt anyone, and we feel that not only have we helped ourselves but that we have helped everyone. Much has been learned. At the last Dominion-Provincial conference, convened on December 4, 1950, the Federal Minister of Finance quite generously acknowledged this when he said,-

> "I believe, too, that I should pay tribute to the general restraint and reasonableness shown by the two provinces which did not choose to enter into these tax agreements. In recent years, when financial demands have been extremely heavy, both provinces have in general pursued tax policies which, while conceived, of course, in the interest of the particular provinces, have not caused serious complications for the economy as a whole."

This is quite true. Each government has been able to pursue its policies unhampered by the others. Indeed, there has been a spirit of co-operation and appreciation of the problems of others on all sides which I do not think has been present for many years. This spirit of understanding, and the wealth of experience upon which it is based, will be of great benefit to us all in future dealings. That real success has attended negotiations between the governments of Canada and Ontario on fiscal, constitutional and other subjects is a matter of record. We have arrived at agreements relative to old age pensions, housing, the St. Lawrence Seaway and Power Development, the Niagara Treaty, the Trans-Canada Highway, conservation, and a great many other matters. There still remains much to be done. For instance, in the complicated subject of housing, we do not for a moment assert that what we have done is the last word. This difficult problem involves constant collaboration and action and I am glad to say that a harmonious relationship exists to make this possible. In all matters of Federal-Provincial relationships we as a Government are primarily responsible to the people of Ontario. It is our job to represent their interests. At the same time we are all Canadians and we shall play our full part in promoting the general, sound economic advancement of Canada.

I have said before - and this applies as well to taxation agreements as to anything else - that an agreement which is not good for all parties is not a good agreement. It must be fair and must protect the interests of all. It must be a Canadian approach, brought about by men of goodwill. The Federal offers have not been made in a take-it-or-leave-it attitude, and our position is similar. We are constantly looking for betterment and for advances which will be for the benefit of all our people.

In the past there has been a tendency in some respects to over-emphasize the benefits of certain types of revenue potential. In Ontario, we have a vast industrial concentration which has become more marked than ever in the last ten years, and it is increasing. We have received very large revenues from industry. That, however, does not make us a wealthy province. Industry has brought us enormous problems in Education, Welfare, Highways, Municipal Affairs, Conservation and, in fact, in every phase of government. Revenues are needed for these purposes. If the Province did not have them, it could not meet its commitments. In our case, these large revenue potentials have their counter-balance in an enormous growth of responsibility. All governments have their own particular and peculiar problems and it is the growing appreciation that we cannot be poured into the same mould, that creates the spirit of understanding which has made possible such positive results in Dominion-Provincial relationships as has been evidenced in these recent years. We have made progress, and we believe sound progress, and it will be our continuing policy to make further progress.

SPECIAL GRANTS AND PAYMENTS

Recent years have given rise to a number of special problems for our universities and our teaching hospitals which are an integral part of our universities. Our teaching hospitals play an important part in the training and education of students in medicine. For a number of years we have stressed the importance of these institutions. Without doctors and without science, the expansion of our health services in the Province would be impossible. Having met with special circumstances since my last Budget, we have made commitments to strengthen our teaching institutions.

During the year the Toronto General Hospital undertook to raise a

large sum of money for renovation, modernization and expansion. The Hospital Board was successful in raising a sum in excess of $16 million, and of this amount the Province agreed to pay $3 million. The position of the Toronto General Hospital is, in many respects, unique. It is our largest teaching hospital, and accommodation for the conduct of surgery and treatment has become congested beyond description. Its facilities and much of its equipment are outmoded. Surgical operations are being conducted under conditions which place a great strain upon the medical and nursing personnel concerned. We therefore decided to take action at once, and we pledged the above sum, and we believe it was an important factor in the success of the fund-raising campaign. We propose to pay this amount from this year's budget.

As I have mentioned on previous occasions, the Wellesley Hospital is the site of the new Cancer Institute. The nursing facilities at that hospital were totally and completely inadequate, and as part of our project in cancer work we have undertaken the construction of a nurses' residence. Of this amount, $424,000 was paid during the current year in the normal course and the balance of $1,200,000 we propose to ask the permission of the House to pay at once. The Cancer Institute, which will use the technical and nursing staffs of the hospital, cannot function unless there is adequate personnel.

We do not, however, desire to confine this special assistance to Toronto General Hospital, important as it is, and to the Wellesley Hospital with the Cancer Institute. We are cognizant that the other teaching hospitals throughout the Province also face difficulties which come from an expanding Ontario. The Government, therefore, is including in the expenditures for the present year an additional amount of $1,550,000 for distribution among the other teaching hospitals of the Province as follows:

Ottawa General Hospital	$ 250,000
Ottawa Civic Hospital	150,000
Kingston General Hospital	275,000
Kingston Hotel Dieu	125,000
Victoria Hospital, London	300,000
St. Joseph's Hospital, London	100,000
St. Michael's Hospital, Toronto	175,000
Western Hospital, Toronto	175,000
	$1,550,000

This amount, together with $3,000,000 to Toronto General Hospital and $1,200,000 to Wellesley Hospital, makes a total of $5,750,000 for the betterment of the teaching facilities and teaching hospitals of this Province.

We are not overlooking the general hospitals throughout the Province. In my Budget Address last year, I stated that the Government would pay the general hospitals, before March 31, 1951, a special grant of $1½ million towards the cost of indigent care and I said that this assistance would be continued for another year and would be over and above all grants under existing bed assistance programs. It is proposed, therefore, to pay to all of our general hospitals in the Province the sum of $1½ million before the 31st of this month to be used for their maintenance costs.

We are not forgetting our universities. During this current fiscal year we have paid them $5,700,000. This sum has been augmented by about $2¼ million of Federal grants. All of the universities, however, are faced with capital expenditures, because of needed improvements and expansion. Our universities are not only the centres of things cultural, but they are also the main spring of scientific and health research which is fundamental to Ontario's progress and betterment. Accordingly, we propose to the House that special grants, totalling $2,300,000, be given to our universities this year, distributed as follows:

University of Toronto	$ 900,000
Queen's University	400,000
University of Western Ontario	400,000
University of Ottawa, Medical Faculty	250,000
McMaster University	250,000
Carleton College	100,000
	$2,300,000

The grants to our universities for the current year will therefore total, including these capital grants, $8 million.

We are also placing to the credit of Ontario Housing Corporation the sum of $1 million, which will be used in connection with the Province's expanding housing operations. This amount will be supplemented, as I shall state in a few moments, by the provisions made for the next fiscal year.

In order to strengthen the Teachers' Superannuation Fund, we are requesting the approval of the House to pay the sum of $1 million into this Fund.

It is my intention to introduce to the House at once supplementary estimates which will permit the payment of these sums before the close of the present fiscal year.

EXPENDITURE AND REVENUE

Including the above special grants and payments, the net ordinary expenditure before provision for sinking funds in the present year is estimated at $266.9 million. In addition, provisions for sinking fund this year are made to the sum of $25.3 million. This amount includes $7,276,000 required to retire old debt and the sum of $18,000,000 applied, in accordance with the policy which I have outlined, to capital indebtedness incurred during the year. This will make a total ordinary expenditure of $292.2 million.

As a reflection of the high level of prices and economic activity in the Province, we are estimating our net ordinary revenue for the present fiscal year at $293.1 million, resulting in a surplus on ordinary account of $896,000.

With the permission of the House, I now table the Interim Statement of Ordinary Revenue for the Fiscal Year ended March 31, 1952, consisting of receipts for 10 months' actual and 2 months' forecast.

INTERIM STATEMENT OF ORDINARY REVENUE
FISCAL YEAR APRIL 1, 1951 - MARCH 31, 1952
10 MONTHS' ACTUAL - 2 MONTHS' FORECAST - 12 MONTHS

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE	$ 855,000.00	$	$ 855,000.00
ATTORNEY-GENERAL	2,860,000.00	406,000.00	2,454,000.00
EDUCATION	1,561,000.00	185,000.00	1,376,000.00
HEALTH	2,879,000.00	21,000.00	2,858,000.00
HIGHWAYS:			
Main Office and Branch	30,000.00		30,000.00
Gasoline Tax	71,000,000.00		71,000,000.00
Motor Vehicles Branch	21,000,000.00		21,000,000.00
	$ 92,030,000.00	$	$ 92,030,000.00
INSURANCE	$ 344,000.00	$	$ 344,000.00
LABOUR	283,000.00	10,000.00	273,000.00
LANDS AND FORESTS	13,899,000.00		13,899,000.00
MINES	4,606,000.00	8,000.00	4,598,000.00
MUNICIPAL AFFAIRS	527,000.00		527,000.00
PRIME MINISTER	90,000.00		90,000.00
PROVINCIAL SECRETARY	819,000.00		819,000.00
PROVINCIAL TREASURER:			
Main Office - Subsidy	3,641,000.00		3,641,000.00
Interest	71,000.00		71,000.00
Miscellaneous	6,000.00		6,000.00
Liquor Control Board - Profits	42,000,000.00		42,000,000.00
Liquor Control Board - Transfer Fees	570,000.00		570,000.00
Savings Office - Refund of Expenses	535,000.00	535,000.00	-
Provincial Share of Taxes collected from privately owned Corporations operating Public Utilities	630,000.00		630,000.00
Controller of Revenue Branch:			
Hospitals Tax	6,290,000.00		6,290,000.00
Succession Duty	19,500,000.00		19,500,000.00
Corporations Tax	90,000,000.00		90,000,000.00
Race Tracks Tax	4,014,000.00		4,014,000.00
Security Transfer Tax	1,668,000.00		1,668,000.00
Land Transfer Tax	1,800,000.00		1,800,000.00
Law Stamps	837,000.00		837,000.00
Logging Tax	1,000,000.00		1,000,000.00
Miscellaneous	8,000.00		8,000.00
Motion Picture Censorship and Theatre Inspection Branch	270,000.00		270,000.00
	$172,840,000.00	$ 535,000.00	$172,305,000.00
PUBLIC WORKS	$ 45,000.00	$ 3,000.00	$ 42,000.00
REFORM INSTITUTIONS	2,927,000.00	2,334,000.00	593,000.00
PUBLIC DEBT - Interest, Exchange, etc.	8,401,000.00	8,401,000.00	-
	$304,966,000.00	$11,903,000.00	$293,063,000.00

I also table the Interim Statement of Ordinary Expenditure for the same fiscal period.

INTERIM STATEMENT OF ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1951 - MARCH 31, 1952
10 MONTHS' ACTUAL - 2 MONTHS' FORECAST - 12 MONTHS

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE	$ 7,735,000.00	$	$ 7,735,000.00
ATTORNEY-GENERAL	11,712,000.00	406,000.00	11,306,000.00
EDUCATION	67,888,000.00	185,000.00	67,703,000.00
HEALTH	44,980,000.00	21,000.00	44,959,000.00
HIGHWAYS	52,267,000.00		52,267,000.00
INSURANCE	133,000.00		133,000.00
LABOUR	1,246,000.00	10,000.00	1,236,000.00
LANDS AND FORESTS	10,725,000.00		10,725,000.00
LIEUTENANT-GOVERNOR	18,000.00		18,000.00
MINES	947,000.00	8,000.00	939,000.00
MUNICIPAL AFFAIRS	5,558,000.00		5,558,000.00
PLANNING AND DEVELOPMENT	2,553,000.00		2,553,000.00
PRIME MINISTER	259,000.00		259,000.00
PROVINCIAL AUDITOR	228,000.00		228,000.00
PROVINCIAL SECRETARY	1,204,000.00		1,204,000.00
PROVINCIAL TREASURER	3,750,000.00	535,000.00	3,215,000.00
PUBLIC WELFARE	25,507,000.00		25,507,000.00
PUBLIC WORKS	3,850,000.00	3,000.00	3,847,000.00
REFORM INSTITUTIONS	8,289,000.00	2,334,000.00	5,955,000.00
TRAVEL AND PUBLICITY	1,057,000.00		1,057,000.00
STATIONERY ACCOUNT	30,000.00		30,000.00
	249,936,000.00	3,502,000.00	246,434,000.00
PUBLIC DEBT -			
Interest, Exchange, etc.	28,858,000.00	8,401,000.00	20,457,000.00
	278,794,000.00	11,903,000.00	266,891,000.00
Sinking Fund Instalments	25,276,000.00		25,276,000.00
	304,070,000.00	11,903,000.00	292,167,000.00

I also table Summary of Ordinary Revenue and Ordinary Expenditure for the Fiscal Year April 1, 1951 to March 31, 1952. This summary shows an interim surplus, after provision for sinking fund, of $896,000.

SUMMARY

ORDINARY REVENUE AND ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1951 - MARCH 31, 1952
10 MONTHS' ACTUAL - 2 MONTHS' FORECAST - 12 MONTHS

Net Ordinary Revenue	$293,063,000.00
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	266,891,000.00
Surplus (before providing for Sinking Funds	$ 26,172,000.00
Less: Provision for Sinking Funds	25,276,000.00
Interim Surplus	$ 896,000.00

SURPLUS ACCOUNT

An explanation of some length has already been given concerning the policy which we have followed since 1944 in relation to our surplus position. This year, in addition to paying all of the costs of our operations on ordinary account, we have applied $7,276,000 on old debt and $18,000,000 against capital expenditure during the year. To this is added a surplus of $896,000, making an application of $26,172,000 on old debt and new capital investment for this year. If we had not followed the policy which I have outlined, the Province would now owe $214.8 million more debt than we have at the present time, involving an additional interest cost, calculated at 3 3/4 per cent, of $8 million annually.

A statement of Surplus on Ordinary Account for the past three years and an estimate for the current year follows:

SUMMARY OF SURPLUS ON ORDINARY ACCOUNT

	Fiscal Year Ending March 31			
	1949 $	1950 $	1951 $	Interim Estimated 1952 $
Net Ordinary Revenue	215,469,613.61	228,550,022.27	265,272,106.50	293,063,000
Less: Net Ordinary Expenditure (before provision for Sinking Funds)	190,706,361.37	199,271,373.67	228,090,424.26	266,891,000
Surplus (before provision for Sinking Funds)	24,763,252.24	29,278,648.60	37,181,682.24	26,172,000
Less: Provision for Sinking Funds	15,550,000.00	20,622,000.00	21,698,000.00	25,276,000
Balance carried to Surplus Account	9,213,252.24	8,656,648.60	15,483,682.24	896,000

I also table an Interim Statement of Capital Receipts and a Statement of Capital Payments for the Fiscal Year April 1, 1951 to March 31, 1952.

INTERIM STATEMENT OF CAPITAL RECEIPTS
FISCAL YEAR APRIL 1, 1951 - MARCH 31, 1952
10 MONTHS' ACTUAL - 2 MONTHS' FORECAST - 12 MONTHS

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Payments	Net Capital Receipts
HIGHWAYS.....	$ 805,000.00	$	$ 805,000.00
LABOUR	8,002,000.00	.....	8,002,000.00
LANDS AND FORESTS	2,577,000.00	.....	2,577,000.00
MINES	85,000.00	.....	85,000.00
PROVINCIAL SECRETARY ..	4,136,000.00	.....	4,136,000.00
PROVINCIAL TREASURER ..	43,469,000.00	.....	43,469,000.00
PUBLIC WELFARE	25,750,000.00	25,750,000.00	.....
PUBLIC WORKS	11,000.00	.....	11,000.00
	$ 84,835,000.00	$ 25,750,000.00	$ 59,085,000.00

INTERIM STATEMENT OF CAPITAL PAYMENTS
FISCAL YEAR APRIL 1, 1951 - MARCH 31, 1952
10 MONTHS' ACTUAL - 2 MONTHS' FORECAST - 12 MONTHS

DEPARTMENT	Gross Capital Payments	Application of Receipts to Payments	Net Capital Payments
AGRICULTURE	$ 10,315,000.00	$	$ 10,315,000.00
HEALTH	73,000.00		73,000.00
HIGHWAYS	51,900,000.00		51,900,000.00
LABOUR	7,000,000.00		7,000,000.00
LANDS AND FORESTS	2,200,000.00		2,200,000.00
MINES	150,000.00		150,000.00
PROVINCIAL SECRETARY	1,750,000.00		1,750,000.00
PROVINCIAL TREASURER	100,765,000.00		100,765,000.00
PUBLIC WELFARE	25,750,000.00	25,750,000.00	-
PUBLIC WORKS	11,950,000.00		11,950,000.00
MISCELLANEOUS	50,000.00		50,000.00
	$211,903,000.00	$25,750,000.00	$186,153,000.00

I now table the statements of Gross Debt, Net Debt, Funded Debt and the Indirect Debt.

PROVINCE OF ONTARIO

DETAIL SUMMARY ACCOUNTING FOR ESTIMATED INCREASE IN GROSS DEBT FOR THE FISCAL YEAR TO END ON MARCH 31, 1952.

Estimated Gross Debt as at March 31, 1952		$834,066,326.91
Gross Debt as at March 31, 1951		697,963,424.22
Estimated Increase for the fiscal year to end on March 31, 1952 .		$136,102,902.69
Gross Debt Increased by:		
Capital Disbursements -		
Disbursements on Highways, Public Buildings, Works, etc.	$ 75,308,000.00	
Less - Capital Receipts	2,716,000.00	
	$ 72,592,000.00	
Discount on Debentures and Treasury Bills issued during year	846,931.36	
Increase in Loans Receivable -		
The Hydro-Electric Power Commission of Ontario $100,000,000.00		
Tile Drainage 373,000.00		
Co-operative Marketing Loans 280,000.00		
	100,653,000.00	
Increase in the Ontario Municipal Improvement Corporation - Investments	9,171,924.81	
Increase in Income Liabilities	1,181,439.06	
		$184,445,295.23
Gross Debt Decreased by:		
Sinking Fund Instalments charged to Ordinary Expenditure	$ 25,276,000.00	
Estimated Surplus on Ordinary Account	896,000.00	
	$ 26,172,000.00	
Discount on Debentures and Treasury Bills, written off	620,000.00	
Repayments of Loans Receivable -		
The Hydro-Electric Power Commission of Ontario ..... $ 1,732,000.00		
Agricultural Development Finance Act Investments 1,604,600.00		
Consolidated Revenue Fund Investments 10,000,000.00		
Miscellaneous 469,200.00		
	13,805,800.00	
Decrease in the Housing Corporation Limited Investments	1,560,572.20	
Decrease in Cash on Hand and in Banks	5,962,931.36	
Increase in Reserves (Net)	221,088.98	
		48,342,392.54
Estimated Increase for the fiscal year to end on March 31, 1952 ..		$136,102,902.69

PROVINCE OF ONTARIO

ESTIMATED INCREASE IN THE NET DEBT AS AT MARCH 31, 1952

Estimated as at March 31, 1952:	
Estimated Gross Debt	$834,066,326.91
Less - Estimated Revenue Producing and Realizable Assets	264,808,681.09
Estimated Net Debt	$569,257,645.82
As at March 31, 1951:	
Gross Debt	$697,963,424.22
Less - Revenue Producing and Realizable Assets	176,413,259.84
Net Debt	$521,550,164.38
Estimated Increase in Net Debt	$ 47,707,481.44

THE FUNDED DEBT OF ONTARIO
DETAIL SUMMARY OF ESTIMATED CHANGES
FOR THE FISCAL YEAR TO END ON MARCH 31, 1952

As at March 31, 1951 (after deducting Sinking Funds)			$582,717,500.00
ADD - Sale of Debentures:			
BU	3¼% due May 15, 1971	$50,000,000.00	
BV	3¼% due September 1, 1972	50,000,000.00	
BW	4% due December 15, 1961	50,000,000.00	
TI	4½% due November 1, 1952	6,500,000.00	
			156,500,000.00
			$739,217,500.00
LESS - Redemptions:			
AL	4% due May 15, 1951	$ 720,000.00	
AP	4½% due May 15, 1951	773,000.00	
AS	4% due June 1, 1951	665,000.00	
RT	3% due June 15, 1951	3,227,000.00	
BM	1 5/8% due July 15, 1951	500,000.00	
RZ	2½% due August 1, 1951	1,000,000.00	
RS	3% due November 1, 1951	850,000.00	
AK	4½% due November 1, 1951	800,000.00	
AH	4½% due December 1, 1951	684,000.00	
RA	3% due December 1, 1951	16,948,000.00	
RAD	2 1/8% due December 15, 1951	2,000,000.00	
TFB	3 1/8% due January 1, 1952	1,200,000.00	
AJ	4½% due January 15, 1952	800,000.00	
AR	4½% due January 15, 1952	626,000.00	
RB	3% due January 15, 1952	990,000.00	
BN	1 5/8% due January 15, 1952	1,500,000.00	
CF	2 3/4% due January 15, 1955	50,000.00	
		$33,333,000.00	
Increase in Sinking Fund Investments - Current Year		25,276,000.00	
			58,609,000.00
Estimated as at March 31, 1952 (after deducting Sinking Funds)..			$680,608,500.00

SUMMARY

New Issues	$156,500,000.00	
Less - Redemptions and Increase in Sinking Funds	58,609,000.00	
Net Increase in Funded Debt		$ 97,891,000.00

PROVINCE OF ONTARIO

CONTINGENT LIABILITIES, BONDS, ETC., GUARANTEED BY THE PROVINCE ESTIMATED AS AT MARCH 31, 1952

Total as per Public Accounts, March 31, 1951		$496,856,710.98
ADD - New Guarantees or Increases for the Fiscal Year to end on March 31, 1952 -		
Power Commission	$ 80,000,000.00	
Park Commissions	2,500,000.00	
Railways	1,000,000.00	
Co-operative Associations	197,750.00	
		83,697,750.00
		$580,554,460.98
LESS - Principal Maturities redeemed or to be redeemed, including redemptions prior to maturity, during the Fiscal Year to end on March 31, 1952 -		
Power Commission	$ 2,799,000.00	
Park Commissions	2,600,600.00	
Railways	678,000.00	
Schools	94,289.21	
Universities	23,794.65	
Ontario Stock Yards Board	35,000.00	
Municipalities	2,709.18	
Ontario Food Terminal Board	537.99	
		6,233,931.03
		$574,320,529.95
LESS - Sinking Fund Deposits for the Fiscal Year to end on March 31, 1952		871.19
Estimated Contingent Liability of the Province as at March 31, 1952		$574,319,658.76

SUMMARY

Estimated Contingent Liability of the Province as at March 31, 1952	$574,319,658.76
Contingent Liability of the Province as at March 31, 1951	496,856,710.98
Estimated Increase	$ 77,462,947.78

WAYS AND MEANS

In laying plans for the fiscal year, commencing April 1, 1952, we are keeping in mind the demands for rearmament with which our nation is charged, and also the necessity of all governments doing their part to control the inflationary tendencies which can have such a detrimental effect on our economy. We are not including any projects which we do not consider vitally necessary for the times in which we live. We must not only keep the matters which I have mentioned constantly in mind but we must also consider that we are in an ever-progressing and expanding economy and it is our desire to provide for greater opportunities for our citizens and at the same time keep our financial position strong.

In past years in the Budget, a very considerable review has been given of the various departments of Government. This is not being done this year, owing to the fact that each of the Ministers will be giving a comprehensive review of the departments over which they preside. Additionally, appended to this Budget, are a number of statements relative to the financial position of the Province which may be perused by the Members of the House and others who are interested and concerned. This section will, therefore, be confined to an outline of some expanding projects in which the Province is, or will be, engaged.

The Municipal Position

This important subject has been quite extensively mentioned in each budget presentation for the last eight years, and quite rightly so. Commencing in 1944, we have emphasized the municipal position and we are again providing increased assistance for the year 1952-53. Grants for primary and secondary schools are being increased by $6.6 million, which is nearly the amount of all grants for education in 1943. Our educational grants in 1952 will total $55.4 million. The increases in grants in education may be seen from the fact that in 1950 the amount was $43.6 million; in 1951, $48.8 million and this year $55.4 million.

In 1951-52, our total grants to municipalities, covering a wide range of subjects, total approximately $100 million in place of $18 million in 1943.

In 1952-53, there will be a further increase of $19 million. This increase is as much as we paid for everything in 1943. The total grants to municipalities for the coming fiscal year will be $118.6 million; in other words, an increase of $100 million in the last nine years. Grants in aid to municipalities now represent about one-third of the ordinary and capital budget of this Province and form a major portion of the increase in our expenditures.

During the past year two Municipal Committees have been set up, one of them in relation to mining municipalities and the other with very broad powers of enquiry into the whole municipal financial position. In this latter Committee, which has an immense task, considerable progress has been made. This work, however, will cover a large period of time. The Mining Committee has completed its work and we are taking steps in this Budget to deal with the matter of mining taxation in relation to our mining municipalities.

As has been stated on various occasions during the past year I feel that emphasis should be placed upon grants which are not allotted to any particular service, and indeed many of the present grants might be revised on that basis with a view to giving to our municipalities more complete autonomy within their field. It is quite true that unconditional grants in aid have a tendency to encourage expenditures in a way that does not apply to grants which are conditional.

Assistance to Mining Municipalities

The Government is proposing both a change in the method of providing aid to Northern Ontario Mining Municipalities and an increase in the amount of assistance.

Since the commencement of mining in the North, mining municipalities have derived their tax revenues from participation in the tax receipts of the Province on mining operations, which since 1943 have been supplemented by grants in aid. Under The Mining Tax Act, mining municipalities were entitled to a prescribed share of the taxes collected by the Province on mining royalties. This method has become out-moded. For instance, a mine

within the municipality may employ a large number of men and carry on a considerable operation and yet have no profits and, therefore, pay no taxes to the municipality. On the other hand, a mine may be in an organized territory and have large profits and its employees reside within a municipality which would not be entitled to any taxes.

A new formula is being introduced, which includes several factors -- residence of the miners, profits of any mine within the municipal limits, the actual tax rate of the municipality and assumed assessment figures for the homes of miners. The effect of the new formula will do justice to the municipalities which are providing the services to the employees.

During this present fiscal year $435,000 was paid to the mining municipalities under the provisions of The Assessment Act. This was supplemented by grants in aid to the extent of $384,000, making a total of $819,000. Under the new formula, the mining municipalities will receive $1,300,000, an increase of approximately $480,000. Provision has been made that no municipality will receive less revenue than under the old system. The municipalities, including the Town of Timmins, The Township of Teck which includes Kirkland Lake, and the City of Sudbury, will generally receive very considerably more than formerly.

This is the first revision of methods of taxation and financing since the present provisions in The Assessment Act were devised nearly fifty years ago. It is a practical and realistic solution to the municipal mining tax problem which has been outstanding for many years.

Payment to Municipalities on Tax Exempt Provincial Properties

The Government and the Hydro-Electric Power Commission of Ontario will make payments to municipalities on business properties located within their boundaries in accordance with the taxes levied for general purposes, including local improvements, in the municipalities. The assessment of properties will be made by the Department of Municipal Affairs. The valuation for assessment purposes will in each case be on the same basis as other property liable for local taxation within the municipality. The

municipality will have the right to appeal the assessment before the Ontario Municipal Board.

This provision for payment of taxes will not extend to Crown and forest lands or to educational institutions, hospital or charitable institutions, parks or fish hatcheries, except for local improvements in certain cases, but will extend to Government administrative offices and business establishments such as the Ontario Northland Railway, the Ontario Stock Yards, the Ontario Food Terminal, Liquor Control Board Stores and buildings, Provincial Savings Offices, and the like. With Hydro, it will include all similar business offices and establishments but not plants and transmission lines. Section 41 of The Assessment Act will be amended to provide for the payment of taxes by local utilities on lands and buildings.

The amount of $2 million is being placed in the estimates to pay Provincial taxes and it is estimated that a further $2 million will be paid by the Hydro-Electric Power Commission and the Municipal Commissions.

Housing

Legislation has already been introduced in this House involving a many-sided approach to this problem which extends and strengthens plans which are already in effect. Reference has already been made to housing within this Province. Conditions here are in most cases not comparable with those existing in other provinces. It may be said, however, that this Province from an over-all standpoint has made more progress than have the others.

We have urged the Federal Government to ease the restrictions in connection with private building under national housing. This, in our belief, is the method by which to get the greatest number of units constructed. All other Government participations are auxiliary to the efforts of the people themselves. This Government has urged that the down payment should be reduced and that materials should be allotted in cases of shortage to the average type of houses.

As Members of this House know, in 1948 the Government at that time entered into what is known as a second mortgage plan which had the effect of reducing the down payment. 14,919 loans were made under this plan, involving the advance of $16.9 million. These loans have been highly successful. 1,509 have been fully repaid and $4½ million has been paid from the amounts advanced by the Province. The Second Mortgage plan was a conspicuous success -- so much so that two years ago the Federal Government decided to incorporate the principle of Ontario's second mortgage loan into The National Housing Act loans as an additional one-sixth loan. Under the agreement, the Province retired from the field as of December 31, 1949. About a year later, the Federal Government announced that as part of its efforts to control inflation the one-sixth additional advance would be discontinued. We are dissenting strongly from this course. On the other hand, we recognize that the fiscal and economic policies to combat inflation are a Federal responsibility.

During the autumn of 1951 the Federal Government restored in some cases the additional advance, but still in a major portion of the field the plan remains suspended. We have felt that this was a mistake and have continued to urge that it should be reinstated. It must be borne in mind by Members of the House that credit, interest rates and control of materials are Federal matters. No province can hope to successfully operate in this field, particularly with the changing conditions which come about continuously. Some suggestion has been made that the Province itself should re-enter this field. I have already reviewed the effects of the changes of Federal Government policy on interest rates and on credit. These conditions are so entirely different from 1948 when the Province was able to operate in a second mortgage field for about a year and a half, that it would be completely unfeasible to consider re-entering it.

In addition there is this important feature. The Federal Government, in its wisdom, has taken steps which are within its jurisdiction to control inflation. For the Province to enter the field in direct opposition to the plans of the Federal Government would I am quite sure be regarded as being contrary to national effort. We maintain that in this

regard the decision and the responsibility must be with the Federal Government, and while we may disagree, we shall abide by their decision, with the hope that they at an early date will reverse it and will make not only the one-sixth advances again available, but will take steps, similarly as in defence projects, to give priorities for materials to housing developments, private or public.

By what I have said, I do not desire it to appear that the Federal Government has been unmindful of our problems. As a matter of fact, the Minister, the Honourable Mr. Winters, and his staff have been co-operative in every way. We can readily acknowledge that only matters of high policy would have influenced their decision in connection with the one-sixth mortgage advances. Despite this, in every field we have worked closely together and we can see that, with an understanding approach to this complicated problem, very real advances will be made.

Our plans, in co-operation with the municipalities for providing serviced land for housing purposes, are meeting with real success. Already many projects have been carried out across the Province, and we are sure that this plan will be very greatly extended.

May I commend the Federal Government for their participation in the rental housing plan which was started as a pilot plan last June for 5,000 units with provision to expand it to 25,000 units. As will readily be understood, this includes a close partnership with the municipalities, and as was intimated by one of the Members of this House a few days ago, instantaneous results cannot be produced. Every municipality has its problems concerning location, services and other things. Furthermore, this type of housing is new to our people as well as to ourselves and to the municipalities. Authorities have to be set up. Experience has to be gained, but this plan will prove a very useful auxiliary to providing houses for that segment of our population which is interested in rental units. Already projects have been started in St. Thomas, Windsor, Hamilton, Fort William, Prescott with combinations of land assemblies and rental in Brockville, Guelph, Trenton, and negotiations are under way with North Bay, Peterborough, Port Arthur, Stratford, Sault Ste. Marie and a number of

other places.

Reference has already been made in this House to the many-sided approach to the complicated and involved problem of housing and the conditions which vary greatly across this great Province. This approach, as has been said, covers the following phases:-

1. Extension and simplification of the land assembly plans.

2. Introduction of the principle of taxes geared to rentals, which can be used as an alternative, or in combination with any municipal participation.

3. Broad powers to expropriate.

4. Powers to acquire lands within municipalities for redevelopment in deteriorated areas.

5. Industrial participation.

6. Rural housing.

7. Establishment of young farmers on the land, which is in part a housing problem.

8. A Crown corporation which will in itself be a loaning institution within the provisions of The National Housing Act to operate in rural areas.

All of these points are the subject of discussion with the Federal Government which is our partner in the problem. The purpose of both Governments is to assist individuals and municipalities to reduce burdens and to cut red tape.

In this Budget upwards of $10 million is being directly placed in the estimates to further these projects. When it is considered that many of these projects are in partnership with the Federal Government, which is the partner to the extent of 75 per cent, it will be seen that this can involve an expenditure of more than $40 million next year -- if such a vast sum can be expended in view of the many involvements, including availability of land, shortages of labour and material and the requirements of private industry in house and other construction work. The $10 million, however, is not all. There is the extension of Provincial credit to these matters through the Ontario Housing Corporation and the corporations which will be

formed to take the place of the loaning institutions for farm housing and the provisions of the Act to incorporate the Ontario Junior Farmer Establishment Loan Corporation.

By all of these provisions we are confident that we will encourage modern housing in this Province on a big scale and that progress will be made in a sound, practical way which will be well within the capacity of our people to sustain.

Establishment of Loans to Young Farmers

While I have already referred to this item, I should like to elaborate a little further on this important matter. Everyone recognizes that a prosperous and expanding agricultural Ontario is essential to the high standards of health and living of our people wherever they may be. Our farm work force has declined somewhat. Production has been maintained largely because of the spectacular extensions of rural power to our people. Rural power is after all the finest hired man. At the same time, the farm labour force has been declining. One of our primary objects must be to keep our young people on the farms. Great steps have been taken to provide for more attractive rural life in improved highways, snowploughed roads, opportunities of education where equality of opportunity is now an actual thing, the extension of rural power with all of the benefits to better living, rinks, community halls and programs and things of that sort.

This provision in no way duplicates the loans made by the Federal Government under their two Acts - The Canadian Farm Loan Act and the Farm Improvement Loans Act. These Federal Acts are designed to serve the needs of established farmers. The loans and assistance we propose to make will be for the purposes of establishing young farmers. The Junior Farmers Establishment Loan Corporation will be for the purpose of making loans to qualified young farmers who desire to enter farming as a full time occupation. The loans may be made to young farmers between the ages of 21 to 35 up to 80 per cent of the value of the assets and with a maximum of $15,000. As I have said before we are placing the credit of the Province behind this project, and while we are putting in the estimates $1 million to give effect to the purposes

of the Act, it is with the intention of extending this as we are required to do. Again, in the first year of the Act, organization has to be set up. We are confident, however, that this Act will make a real contribution to maintaining our rural population and not only encouraging, but definitely making it possible for young people to take up the great business of agriculture as their lifetime work.

Conservation

The conservation and development of our natural resources of forest, mine, soil and water are of the greatest of importance. During the year ending 31 of this month increasing emphasis has been placed on this phase of our responsibilities and we shall have expended over $13 million. Conservation projects are carried on by a number of departments, including Lands and Forests, Public Works, Agriculture, Highways, Mines, Education and Planning and Development, integrated by a Departmental Committee and now by the Minister of Public Works, The work is on a very extended front including reforestation, forest management, insect control, soil conservation, flood control, exploratory work concerning water tables, drainage, the propagation of game fish and protection thereof, the work of the Ontario Research Council and many other phases.

Two more conservation authorities have been established at Upper Holland and Middle Maitland rivers, bringing the total of such authorities to 15. Field assistance has been given to all authorities during the year and in 4 of the authorities - the Upper Thames, Ausable, Etobicoke-Mimico and Grand - financial assistance in the sum of $957,500 has been granted. In addition, smaller grants have been given for engineering and general conservation purposes. Reforestation has been undertaken in 3 of the authorities. During the coming year, additional payments of $1,404,000 will be made to the Ausable, Thames, Grand and Etobicoke authorities for flood control schemes. Additional surveys are planned in several areas.

While community planning covers a wider field than conservation, nevertheless, it is a factor. Sixteen new Planning Boards have been established raising the total authorities in the Province to 123, covering

all or part of 207 municipalities. Every effort is being made to encourage planning and to secure the development of communities along sound and modern lines.

In the problem of conservation, the Ontario Research Council has been of great value. Conservation and development of financial resources are in the forefront of the work of this Council. In conjunction with the Ontario Research Foundation, industrial researches are underway to give to the development of our natural resources every advantage of science. Controlled density of iron is a case in point. This year the Council awarded from 70 to 80 scholarships to Research students and it is also giving assistance to the promotion of research in Universities and other fields. Science and research will make a great contribution to the conservation and sound development of our natural resources.

During the coming year, expenditures which are attributable directly to conservation will amount to nearly $16 million, and many millions of dollars more of expenditures will be made indirectly affecting conservation.

The problem of Great Lakes water levels and erosion on the Great Lakes shores has been a matter of grave concern to this Government. The Province has no control of Great Lakes water levels which are an international problem concerning the governments of Canada and the United States. Erosion control should properly be a problem for those governments. We, however, are urging a joint conference between representatives of the governments of Canada and the United States with our Province and those interested municipalities in order that a survey of the whole matter be made with steps to control the Great Lakes water levels to prevent the damage which is taking place on our shores.

No New Taxes

I am pleased to make the following announcements regarding taxes for the ensuing year:

There will be no new taxes.

There will be no increase in the rates of present taxes.

There will be slight reductions in some tax rates achieved through

an adjustment of depreciation rates for corporations and a lowering of rates of Race Track Tax and of some other minor items.

Corporation Tax

Depreciation allowances under the income tax sections of our Corporations Tax Act are being made to conform to the depreciation provisions of the Federal Income Tax Act.

Race Tracks Tax

The rate of pari-mutuel tax is being reduced by the amount of 2 per cent in each bracket, thus reducing the combined Provincial tax and the proportion retained by each track to an average amount of 17 per cent instead of the 19 per cent that prevailed last year. This is being done to curb illegal betting.

During the 1951 racing season, this tax, added to the percentage of the amount wagered to which each track is entitled to receive under the Criminal Code, made a total withdrawal from the amount staked or deposited on each race as follows:

Total amount staked or Deposited on Each Race	Provincial tax Percentage	Percentage Retained by Race Track	Total
On the first $20,000 or part thereof	10%	9%	19%
On the next $10,000 or part thereof	11%	8%	19%
On the next $10,000 or part thereof	12%	7%	19%
On the next $10,000 or part thereof	13%	6%	19%
In excess of $50,000	14%	5%	19%

For the 1952 racing season, the Government's percentage has been reduced by 2%. The tax will, therefore, be:

Total amount staked or Deposited on Each Race	Provincial tax Percentage	Percentage Retained by Each Track	Total
On the first $20,000 or part thereof	8%	9%	17%
On the next $10,000 or part thereof	9%	8%	17%
On the next $10,000 or part thereof	10%	7%	17%
On the next $10,000 or part thereof	11%	6%	17%
In excess of $50,000	12%	5%	17%

FORECAST OF REVENUE AND EXPENDITURE

We are estimating the net ordinary revenue of the Government for the fiscal year 1952-53 at $291.1 million and the net ordinary expenditure before provision for sinking funds at $281.6 million. We are providing for sinking fund $9.4 million, leaving us with an estimated surplus of $88,000.

We are budgeting for a revenue of $89 million from corporation taxes. This item, of course, depends upon corporation profits and we are budgeting intentionally at a safe level. The amount may exceed this. If it does, it is our intention to apply this excess, and indeed any other additional excess of revenue,to the reduction of capital expenditures made during the year in accordance with our 1944 policy. We are budgeting for a revenue of $36 million from Liquor Control Board profits, $75 million from gasoline tax, and $21.0 million from motor vehicle licences.

The largest items on the expenditure side are education $72.1 million, which is $9.0 million higher than the appropriation last year; highways $54 million on ordinary account and $46 million on capital, or a total of $100 million, $5.8 million more than the amount appropriated in the last Budget; health $42.9 million; and welfare $25.8 million. The estimates include capital expenditures of $19.5 million for public works and $11.0 million for rural power extensions.

While we are budgeting for revenues of $291.1 million, I should like to again stress that there are many uncertainties ahead. We think that our estimates have been predicated, as always, on safe grounds. Federal policies, of course, may affect this. Any taxation in fields occupied by the Province or the tightening of restrictions and credit restraints could have very far-reaching effects. Last year in the Legislature I referred to the chaotic effects which were produced by the Federal increases in excise duties and taxes on spirits and beer in the autumn of 1950. I again state that in arriving at a fair division of tax fields the Federal Government should give to the Provinces the whole field of taxation on alcoholic beverages. The Provinces are confronted with the problems of administration, control, enforcement and, in fact, everything else connected with this great problem. The Federal Government as I indicated last year is deriving very much

more in taxation than are the provinces. I suggest again that the Federal Government would do well in agreement with the provinces to vacate this field by progressive steps and leave it exclusively with the provinces which have to deal with the whole problem.

BUDGET FORECAST FOR FISCAL YEAR 1952-53

With your permission I now place on the records of the House the budget forecast of Ordinary Revenue, Ordinary Expenditure, Summary, Capital Receipts and Capital Payments for the fiscal year April 1st, 1952 to March 31st, 1953 and I forecast a surplus of $88,000.

BUDGET FORECAST OF ORDINARY REVENUE
FISCAL YEAR APRIL 1, 1952 - MARCH 31, 1953

Department	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE	$ 815,000.00	$	$ 815,000.00
ATTORNEY-GENERAL	2,998,000.00	499,000.00	2,499,000.00
EDUCATION	1,980,000.00	275,000.00	1,705,000.00
HEALTH	4,831,000.00	520,000.00	4,311,000.00
HIGHWAYS:			
Main Office and Branch	30,000.00		30,000.00
Gasoline Tax Branch	75,000,000.00		75,000,000.00
Motor Vehicles Branch	21,000,000.00		21,000,000.00
	$ 96,030,000.00	$	$ 96,030,000.00
INSURANCE	$ 311,000.00	$	$ 311,000.00
LABOUR	258,000.00	12,000.00	246,000.00
LANDS AND FORESTS	18,175,000.00		18,175,000.00
MINES	4,582,000.00	8,000.00	4,574,000.00
MUNICIPAL AFFAIRS	435,000.00		435,000.00
PRIME MINISTER	70,000.00		70,000.00
PROVINCIAL SECRETARY	655,000.00		655,000.00
PROVINCIAL TREASURER:			
Main Office - Subsidy	3,641,000.00		3,641,000.00
- Interest	71,000.00		71,000.00
Liquor Control Board - Profits	36,000,000.00		36,000,000.00
Liquor Control Board - Transfer Fees	600,000.00		600,000.00
Province of Ontario Savings Office	580,000.00	580,000.00	
Provincial Share of Taxes collected from privately owned Corporations operating Public Utilities	670,000.00		670,000.00
Controller of Revenue:			
Hospitals Tax	6,000,000.00		6,000,000.00
Succession Duty	16,000,000.00		16,000,000.00
Corporations Tax	89,000,000.00		89,000,000.00
Race Tracks Tax	4,000,000.00		4,000,000.00
Security Transfer Tax	1,200,000.00		1,200,000.00
Land Transfer Tax	1,800,000.00		1,800,000.00
Law Stamps	800,000.00		800,000.00
Logging Tax	500,000.00		500,000.00
Motion Picture Censorship and Theatre Inspection Branch	262,000.00		262,000.00
	$161,124,000.00	$ 580,000.00	$160,544,000.00
PUBLIC WORKS	$ 40,000.00	$ 3,000.00	$ [illegible]
REFORM INSTITUTIONS	3,066,000.00	2,500,000.00	[illegible].000.00
MISCELLANEOUS	100,000.00		100,000.00
	$295,470,000.00	$ 4,397,000.00	$291,073,000.00
PUBLIC DEBT - Interest, Exchange, etc.	8,826,000.00	8,826,000.00	
	$304,296,000.00	$ 13,223,000.00	$291,073,000.00

BUDGET FORECAST OF ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1952 - MARCH 31, 1953

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE	$ 8,592,000.00	$	$ 8,592,000.00
ATTORNEY-GENERAL	10,699,000.00	499,000.00	10,200,000.00
EDUCATION	72,418,000.00	275,000.00	72,143,000.00
HEALTH	43,441,000.00	520,000.00	42,921,000.00
HIGHWAYS	54,000,000.00		54,000,000.00
INSURANCE	145,000.00		145,000.00
LABOUR	1,486,000.00	12,000.00	1,474,000.00
LANDS AND FORESTS	12,500,000.00		12,500,000.00
LIEUTENANT-GOVERNOR	20,000.00		20,000.00
MINES	1,058,000.00	8,000.00	1,050,000.00
MUNICIPAL AFFAIRS	9,293,000.00		9,293,000.00
PLANNING AND DEVELOPMENT	1,850,000.00		1,850,000.00
PRIME MINISTER	282,000.00		282,000.00
PROVINCIAL AUDITOR	248,000.00		248,000.00
PROVINCIAL SECRETARY	1,414,000.00		1,414,000.00
PROVINCIAL TREASURER	5,118,000.00	580,000.00	4,538,000.00
PUBLIC WELFARE	25,842,000.00		25,842,000.00
PUBLIC WORKS	4,660,000.00	3,000.00	4,657,000.00
REFORM INSTITUTIONS	8,355,000.00	2,500,000.00	5,855,000.00
TRAVEL AND PUBLICITY	1,495,000.00		1,495,000.00
MISCELLANEOUS	100,000.00		100,000.00
	$263,016,000.00	$ 4,397,000.00	$258,619,000.00
PUBLIC DEBT - Interest, Exchange, etc...	31,833,000.00	8,826,000.00	23,007,000.00
	$294,849,000.00	$13,223,000.00	$281,626,000.00
PUBLIC DEBT - Sinking Fund Instalments	9,359,000.00		9,359,000.00
	$304,208,000.00	$13,223,000.00	$290,985,000.00

S U M M A R Y

BUDGET FORECAST
FISCAL YEAR APRIL 1, 1952 - MARCH 31, 1953

Net Ordinary Revenue	$291,073,000.00
Less: Net Ordinary Expenditure (before providing for Sinking Funds)	281,626,000.00
Surplus (before providing for Sinking Funds)	$ 9,447,000.00
Less: Provision for Sinking Funds	9,359,000.00
Surplus Forecast	$ 88,000.00

BUDGET FORECAST OF CAPITAL RECEIPTS
FISCAL YEAR APRIL 1, 1952 - MARCH 31, 1953

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Payments	Net Capital Receipts
HIGHWAYS	$ 755,000.00	$.....	$ 755,000.00
LABOUR	9,500,000.00	.....	9,500,000.00
LANDS AND FORESTS	3,175,000.00	.....	3,175,000.00
MINES	75,000.00	.....	75,000.00
PROVINCIAL SECRETARY	4,191,000.00	.....	4,191,000.00
PROVINCIAL TREASURER	24,732,000.00	.....	24,732,000.00
PUBLIC WELFARE	6,520,000.00	6,520,000.00	.....
	$48,948,000.00	$6,520,000.00	$42,428,000.00

BUDGET FORECAST OF CAPITAL PAYMENTS
FISCAL YEAR APRIL 1, 1952 - MARCH 31, 1953

DEPARTMENT	Gross Capital Payments	Application of Receipts to Payments	Net Capital Payments
AGRICULTURE	$ 11,250,000.00	$.....	$ 11,250,000.00
HEALTH	2,000,000.00	.....	2,000,000.00
HIGHWAYS	45,000,000.00	.....	45,000,000.00
LABOUR	9,500,000.00	.....	9,500,000.00
LANDS AND FORESTS	1,900,000.00	.....	1,900,000.00
MINES	1,000,000.00	.....	1,000,000.00
PLANNING AND DEVELOPMENT	7,500,000.00	.....	7,500,000.00
PROVINCIAL SECRETARY	2,150,000.00	.....	2,150,000.00
PROVINCIAL TREASURER	2,924,000.00	.....	2,924,000.00
PUBLIC WELFARE	6,520,000.00	6,520,000.00	.....
PUBLIC WORKS	19,525,000.00	.....	19,525,000.00
MISCELLANEOUS	150,000.00	.....	150,000.00
	$109,419,000.00	$6,520,000.00	$102,899,000.00

SUMMARY

Mr. Speaker: Before concluding my address, I should like to take a few moments to summarize our accomplishments of the present fiscal year and our program for the next year.

1. We are continuing the "pay as you go" policy which I outlined in my first Budget Address in March, 1944. This year we have allocated $25,276,000 to sinking fund, leaving a surplus on ordinary account of $896,000.

2. We are budgeting for a surplus in 1952-53.

3. This will be the Government's tenth consecutive surplus on ordinary account since it assumed office in 1943.

4. We are neither raising rates of tax nor imposing new taxes; we are making some tax reductions.

5. Taxes will hereafter be paid on Provincial and Hydro properties; $2 million is being placed in the Provincial Estimates and an additional $2 million is being provided by Ontario Hydro and Municipal Commissions for this purpose.

6. A new formula in respect to payments to mining municipalities will be introduced in the coming fiscal year, increasing payments to such municipalities by $\$\frac{1}{2}$ million.

7. $10 million is being provided in the Estimates to carry out various housing projects.

8. The Province's Housing Corporation will make loans for rural home construction.

9. The Province will make loans to young farmers to establish themselves on farms.

10. Special capital grants of $5 3/4 million are being paid out to the teaching hospitals for modernization and improvement of facilities and equipment before the end of this fiscal year.

11. Distribution of a special maintenance assistance grant of $\$1\frac{1}{2}$ million to the general hospitals will also be made before the end of this fiscal year.

12. In addition to the regular maintenance grants amounting to $5.7 million, we shall pay to the universities this year special additional grants of $2.3 million for general capital improvement purposes. The following are the maintenance grants for this year plus the capital grants, totalling $8.0 million:

	Maintenance $	Special Capital $
University of Toronto	4,187,000	900,000
Queen's University	550,000	400,000
University of Western Ontario	550,000	400,000
McMaster University	150,000	250,000
University of Ottawa	150,000	250,000
Carleton College	100,000	100,000
	5,687,000	2,300,000

13. Including the special capital grants advanced this year only, total grants payable to municipalities and local agencies for education, roads, hospitals and other purposes total over $105 million in 1951-52.

14. In 1952-53, grants to all municipalities and associated bodies will amount to almost $119 million, $19 million more than in the present year, excluding special capital grants. Grants for roads are up $7 million and for education $6½ million. The total of these grants now represents one-third of the ordinary and capital budget of the Province.

15. We spent more than $13 million on conservation in 1951-52; nearly $16 million will be spent next year.

16. During the 1951 calendar year, the bonus paid on rural power extensions to bring the benefits of electricity to the rural areas of Ontario resulted in 3,400 miles of line being constructed and 25,795 new customers supplied with power. Since October 1943, 18,111 miles of line have been added and 182,442 new consumers served, more than doubling rural power operations.

17. To improve telephone service in rural Ontario, we paid the Ontario Hydro this year $35,000, and we are placing in next year's Estimates for this purpose the amount of $50,000.

18. During the present fiscal year, 273 new schools or substantial additions to old schools will be completed at a cost of $45 million. These additions will provide accommodation for 40,000 new pupils, making an investment of more than $1,100 per new pupil.

19. In the field of health, the hospitals of the Province, with the help of capital grants paid by the Government, will, during the present fiscal year, have added 1,885 new beds and 340 new nursery cubicles to their facilities.

20. As a result of the mutual cooperation between the Dominion Government and the Province, old age pensions have become payable, without a means test, to all persons 70 and over. Those between 65 and 69 are eligible on a means test. Province administers the payments to the 65 to 69 age group and pays half their pensions. Province also provides medical services.

21. The cost of homes for the aged, completed or being built, totals $10 million.

22. In the educational field, schools for Grade IX and X pupils will now receive grants of $3 each for free text books.

23. The Department of Education appropriation for 1952-53 is $72.1 million, $9.0 million higher than the appropriation last year.

24. The Government will provide allowances for disabled persons.

25. Capital construction grants to public general hospitals will reach $12½ million in 1952-53, an increase of $1½ million over the 1951-52 fiscal year grants.

26. Expenditure for Ontario mental hospitals will be $16.5 million, $2 million more than for 1951-52.

27. In addition to paying all costs on ordinary account, we have this year provided for the sinking fund instalment of $7,276,000 on the old debt and applied $18,896,000 against capital expenditures.

28. Had we not adhered to this policy of retiring old debt and meeting part of the cost of capital construction out of current revenue, the net debt would now be $214.8 million higher, involving an additional interest charge of $8 million annually.

29. Highway expenditures, including ordinary and capital expenditure and grants to municipalities for 1951-52 amount to $104 million, $12 million more than estimated revenue from gasoline tax and motor vehicle licences.

30. Capital expenditure in 1951-52, representing investment in highways, buildings, special conservation projects, rural power extensions and other physical assets, total $72.6 million.

31. Province raised $100 million in New York for Hydro and guaranteed Hydro issues of $80 million in Canadian market. It also entered into the Canadian market for an issue of $50 million for its own purposes, principally for refunding.

32. We are calling for redemption on May 1, 1952, three years before maturity, the series RN 3¼ per cent issue of $15 million.

33. Second stage in the program of aerial photographing and mapping of Ontario's forests has begun. Total area covered is now 165,000 square miles. Ontario and Dominion governments will share fifty-fifty the cost of surveying the more northerly and southerly parts of the province, covering 105,000 square miles.

34. 185 million board feet of lumber has been salvaged from the burned-over Mississagi forest reserve.

35. We have kept Ontario's credit bright and clean. We can face with complete confidence the St. Lawrence Seaway and Power project and any other development the Province desires to undertake.

CONCLUSION

Mr. Speaker: In these times of sudden and unpredictable changes we dare not fail to recognize our responsibility as the largest and most prosperous of all the provinces of this great Dominion. We must conserve our credit and our resources to the end that we may be prepared to meet any reverses that may come with little or no warning and to fulfill our proper role in the progress and development of this Province and this Nation.

We in Ontario must ever be mindful of the fact that the prosperity of this Canada of ours is all of one piece - indivisible. We cannot morally or wisely grasp prosperity with one hand and with the other strive to impede the progress of our brother Canadians in other provinces. As Ontario prospers, so must Canada prosper.

In this First Session of the Twenty-fourth Legislature of the Province we enter upon a new era - the Elizabethan era. The torch that fell from the hands of Her Father, whose career was one of goodness, courage and of devotion to duty, has been caught up by His daughter, Our Gracious Queen Elizabeth the Second. It is for us, Her loyal subjects, a matter of thanksgiving that our Queen takes up the torch at a time when the words uttered by William Pitt in the House of Commons in another period of trial and difficulty, in November 1797, only five years after our then infant province took form, have a present day application in Canada as well as in the Motherland:-

> "There is one great resource, which I trust will never abandon us, and which has shone forth in the British character, by which we have preserved our existence and fame as a nation, which we shall be determined never to abandon under any extremity, but shall join heart and hand in the solemn pledge that is proposed to us, and declare to His Majesty, 'that we know great exertions are wanted; that we are prepared to make them....'"

And, Mr. Speaker, in all events, like Pitt in his day, we are determined to stand or fall by the laws, liberties and religion and moral traditions of our people. May the new Elizabethan era, ushered in during a time of trial and testing in which our people will not fail, become one of the great periods of Peace and of Betterment for all mankind.

APPENDIX

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TAX RENTAL AGREEMENTS PROPOSED AT THE FEDERAL-PROVINCIAL CONFERENCE, DECEMBER, 1950 AND AS LATER MODIFIED BY CORRESPONDENCE

At the Conference of the Federal and Provincial Governments in December, 1950, the Federal Government proposed a continuation of tax rental agreements for a further period of five years from April 1, 1952 to March 31, 1957 along lines basically the same as the agreements in effect from April 1, 1947 to March 31, 1952.

The 1950 offer consisted of an upward adjustment in the guaranteed minimum payments, a new option, and two modifications in the method of calculating the adjusted annual payments. The Federal Government was not prepared to make any sizeable increase in the amount of the adjusted payments, but it gave recognition to the depreciation in the value of money by raising the level of the guaranteed minimum payments. Thus, under the agreements effective April 1, 1952, the guaranteed minimum payments are adjusted upwards in accordance with the increase in provincial populations and the gross national product per capita between 1942, the former base year, and 1948, which is the new base year. This revision provides a considerable increase in the guaranteed minimum payments, but it does not affect the level of adjusted payments unless, of course, there is a substantial fall in the gross national product.

The new option is based upon tax rates applicable to personal income and corporate income in the province in 1948, and succession duties in certain years, and it has the same escalator provisions as the other tax rentals. The guaranteed minimum payment is calculated by taking the sum of the following:

1. The yield of a personal income tax at 5 per cent of 1948 federal rates applied to 1948 incomes in the province.
2. The yield of a tax of 8½ per cent on corporation profits earned in the province in 1948.
3. The average revenue received by the Province from succession duties in either the two years before succession duties were suspended or in the case of Ontario and Quebec the average of the three fiscal years 1946-47 to 1948-49.

4. Statutory subsidies payable to the province for 1948.

This option - Option 2 - is beneficial only to Ontario. It raises Ontario's minimum payment to $101.8 million, an increase of $2.1 million or 2.1 per cent over the guaranteed amount that would otherwise be payable.

At the Conference, the Federal Government proposed two modifications in the method of calculating the adjusted rental payments. The first, and perhaps more important, was the shift in the escalator clause to a two-year averaging of the relevant factors. Under the agreements from 1947 to 1951 the adjusted payments were calculated by using the average of the G.N.P. per capita and provincial population in the three years prior to the year of payment. The December 1950 offer reduced this averaging to two years. The other modification involved the substitution of the concept of the G.N.P. at factor prices for that of the G.N.P. at market cost. The former is the latter after excluding the revenue derived from indirect taxes.

The combined effect of these modifications is to raise the adjusted payment to all provinces for the fiscal year 1952-53 by $23 million over the amount payable under the former agreements, assuming they were extended without change. The adjusted payment to Ontario for that year is raised to $127 million as against $118 million under the terms of the 1947 - 51 agreement.

Since the Conference, an additional revision has been proposed. Under a letter from the Minister of Finance of January 10, 1952, the provinces have been given the option, subject to them making an election for the entire five years, of calculating the adjusted rental payment on the G.N.P. per capita and provincial population in the year immediately preceding the year of payment. On this one year basis, the adjusted payments are obviously more sensitive to the changes in the G.N.P. per capita and provincial population than on either of the former two or three year bases. While the payments on the one year reflect the increase in income and population since 1948, they would, by the same token, decline more rapidly in a period of economic recession. In the same letter, the Minister of Finance also stated that under the new agreements the provinces would not be required to levy a 5 per cent provincial income tax but that instead the Federal Government would maintain a uniform corporation income tax

across the nation and would allow a tax credit of up to 5 per cent against corporation tax payments to the Federal Government with respect to such payments made to any province which did not enter into a tax rental agreement.

With these modifications, the conditions of the latest Federal proposal are essentially the same as under the present agreements, namely, that the Province undertake for the duration of the agreement not to impose taxes on corporations (other than on logging and mining operations) on personal incomes, and, at their option, on successions. The provinces may continue to levy succession duties, but if they do so the credits which are allowed under Federal succession duty law in respect of duties paid to the Province are deducted from the amount of the rental otherwise paid to the Province. The Province will continue to receive its statutory subsidy, but this is also deducted from the amount of the rental payment.

TAX RENTAL AGREEMENTS PROPOSED AT THE FEDERAL-PROVINCIAL CONFERENCE, DECEMBER, 1950 AND AS LATER MODIFIED BY CORRESPONDENCE

Province	Guaranteed Minimum Payments (1)		Adjusted Payments, Fiscal Year 1952-53 (1)			
			Based on Two Preceding Years		Based on Preceding Year	
	Amount	Per Capita on 1951 Population	Amount	Per Capita on 1951 Population	Amount	Per Capita on 1951 Population
	$000	$	$000	$	$000	$
Newfoundland	9,062	25.07	11,329	31.35	12,267	33.94
Prince Edward Island	2,967	30.14	3,624	36.82	3,908	39.70
Nova Scotia	15,296	23.80	18,653	29.03	20,110	31.30
New Brunswick	12,533	24.30	15,373	29.81	16,591	32.17
Quebec	84,790	20.91	105,995	26.13	114,771	28.30
Ontario	101,801	22.14	126,920	27.61	137,364	29.88
Manitoba	18,439	23.75	22,716	29.25	24,534	31.59
Saskatchewan	19,159	23.04	22,820	27.44	24,498	29.45
Alberta	20,348	21.66	26,203	27.89	28,515	30.35
British Columbia	29,546	25.36	37,959	32.58	41,293	35.44
All Provinces	313,941	22.45	391,592	28.00	423,851	30.31

(1) These calculations are based on final 1951 census population figures and latest estimates of gross national product at market prices. A further recalculation of 1952-53 payments will be required when the estimate of gross national product for 1951 on the basis of factor cost becomes available.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION

The Ontario Municipal Improvement Corporation came into being on March 24, 1950 under legislation passed in that year. Its purpose has been to purchase from Ontario municipalities debentures issued by them for undertakings such as waterworks, sewage works, plants for the incineration of garbage and drainage works. The affairs of the Corporation are conducted by three directors who, subject to the approval of the Lieutenant-Governor-in-Council, are empowered to borrow money up to an aggregate of $50 million by issuing debentures of the Corporation, treasury bills or through the medium of temporary loans.

Up to February 29, 1952, the Corporation had purchased municipal debentures to a total of $10,355,141.52 in connection with water, sewage works and plants for the incineration of garbage. The Corporation has not issued any debentures of its own.

Debentures Purchased by the Ontario Municipal Improvement Corporation

Atikokan	Water and Sewers	$ 237,500.00
Bertie	Water	137,000.00
Bracebridge	Water	90,000.00
Burlington-Nelson	Water	327,000.00
Chapleau	Sewers	310,000.00
Cochrane	Sewers	109,000.00
Delhi	Water and Sewers	50,000.00
Dryden	Water	20,000.00
Elmvale	Water	4,100.00
Etobicoke	Water and Sewers	692,038.00
Fort Frances	Water and Sewers	34,463.66
Grantham	Water	107,700.00
Hawkesbury	Water and Sewers	99,000.00
Matheson	Water	5,000.00
McKim	Water and Sewers	472,905.00
Mattawa	Water and Sewers	158,000.00
Niagara Falls	Water	598,000.00
North York	Incinerator, Water and Sewers	1,626,359.86
Oakville	Water	490,000.00
Port Credit	Water	270,476.00
Port McNichol	Water	16,500.00
Riverside	Sewers	94,405.00
Scarborough	Water and Sewers	2,460,200.00
Schreiber	Water	35,000.00
Sioux Lookout	Water and Sewers	69,050.00
South River	Water	120,000.00
Stamford	Water	602,000.00
St. Clair Beach	Water	11,130.00
Sudbury	Water	77,264.00
Tay	Water	81,000.00
Teck	Water	100,000.00
Westminster	Sewers	28,000.00
West Ferris	Water	60,000.00
Widdifield	Water	12,050.00
Windsor	Water	750,000.00
		$10,355,141.52

PROVINCE OF ONTARIO

INVESTMENT IN PHYSICAL ASSETS

	1951-52 $	Total, Nine Years 1943-44 to 1951-52 $	Cumulative Total 1867 to 1951-52 $
Highways	51,005,000	202,004,721	557,266,327
Provincial Lands and Buildings	9,989,000	35,300,616	98,942,914
Rural Power Transmission Lines	10,035,000	45,397,376	63,105,619
Other	1,563,000	5,132,737	39,547,190
	72,592,000	287,835,450	758,862,050

EXPENDITURES ON HUMAN RESOURCES

	1951-52 $	Total, Nine Years 1943-44 to 1951-52 $
Agriculture	7,735,000	63,248,822
Education	67,703,000	366,302,652
Health	44,959,000	198,845,363
Public Welfare	25,507,000	145,766,647
	145,904,000	774,163,484

PROVINCE OF ONTARIO

ESTIMATED ASSISTANCE TO MUNICIPALITIES
IN THE FISCAL YEARS ENDING MARCH 31, 1951 TO 1953

(Thousands of Dollars)

	1951	1952	1953
Grants for Education	43,695	48,869	55,425
Grants for Hospitals	10,146	11,760(1)	12,673
Grants for Health Units, School Medical Inspection and School Dental Services	527	584	637
Grants for Roads	21,346	24,250	31,500
Grants under The Police Act	1,669	1,925	2,100
Grants under The Fire Departments Act	1,551	1,725	1,900
Grants for Day Nurseries	198	235	300
Grants for Children's Aid	1,017	1,175	1,276
Grants for Homes for the Aged	1,038	2,372	2,700
Grants for Unemployment Relief	2,687	3,000	3,000
Grants for Community Centres	425	422	300
Grants for Conservation, Drainage Aid and Flood Control	600	1,835	2,275
Grants for Mining Municipalities	302	384	1,300
Payments re Municipal Taxation on Provincial Public Buildings	-	-	2,000
Railway Tax Distribution	220	222	223
Miscellaneous Grants	937	748	961
	86,358	99,506	118,570

(1) Does not include special grants for capital purposes of $3,000,000 to Toronto General Hospital, $1,200,000 to the Wellesley Hospital, and $1,550,000 to Teaching Hospitals -- a total of $5,750,000.

POPULATION

Since 1939, Ontario's population has grown by 24.0 per cent, rising from 3,708,000 to 4,597,542 in 1951. Over this same period the number of live births rose from 64,123 to an all time high of 116,193 in 1951, an increase of 52,070, or 81.2 per cent. In 1939, natural increase (births less deaths) totalled 26,593, rose to 67,234 in 1947 and jumped to a record 71,223 in 1951.

Since 1939, Ontario's birth rate per 1,000 population has risen from 17.3 to a high of 26.1 in 1947, and after a moderate decline rose to 25.3 in 1951. Ontario's natural increase rate exhibits a pattern similar to that of the birth rate. In 1939, Ontario's rate of natural increase was 7.2 per thousand population. By 1943 it had reached 10.2 and in 1947 established a high of 16.1. Thereafter, the natural increase rate declined to an average of slightly more than 14.4 for the next three years and then jumped to 15.5 in 1951.

In 1951, Ontario's birth registrations were 7 per cent above those of a year ago; Quebec's registered an increase of one-tenth of 1 per cent and Canada's 3 per cent. Ontario's natural increase totalled over 71,000, about 7,000 more than the previous year and 4,000 more than the previous high in 1947. Both the rate of births and natural increase approximated the highest level this Province has experienced in the last fifty years.

POPULATION IN ONTARIO AND CANADA BY DECENNIAL CENSUS YEARS, 1901-1951(1)

Year	Ontario			Canada		
	Population (000)	Increase Amount (000)	Increase Percentage %	Population (000)	Increase Amount (000)	Increase Percentage %
1901	2,183	69	3.3	5,371	538	11.1
1911	2,527	344	15.8	7,207	1,836	34.2
1921	2,934	407	16.1	8,788	1,581	21.9
1931	3,432	498	17.0	10,377	1,589	18.1
1941	3,788	356	10.4	11,507	1,130	10.9
1951	4,598	810	21.4	14,009	2,502	21.7

ONTARIO'S POPULATION, BIRTHS, DEATHS & NATURAL INCREASE 1939 TO 1951(2)

Year	Population (000)	Births	Birth Rate per 1,000 Population	Deaths	Natural Increase	Natural Increase Rate per 1,000 Population
1939	3,708	64,123	17.3	37,530	26,593	7.2
1940	3,747	68,524	18.3	38,503	30,021	8.0
1941	3,788	72,262	19.1	39,226	33,036	8.7
1942	3,884	78,192	20.1	39,119	39,073	10.1
1943	3,915	81,173	20.7	41,063	40,110	10.2
1944	3,963	78,090	19.7	39,781	38,309	9.7
1945	4,000	78,974	19.7	39,499	39,475	9.9
1946	4,093	97,446	23.8	39,758	57,688	14.1
1947	4,176	108,853	26.1	41,619	67,234	16.1
1948	4,275	104,195	24.4	42,364	61,831	14.5
1949	4,378	106,601	24.3	43,379	63,222	14.4
1950	4,471	108,554	24.3	44,106	64,448	14.4
1951	4,598	116,193	25.3	44,970	71,223	15.5

(1) Canada Year Book 1951, and D.B.S. Memorandum, February 1952.
(2) Population figures were taken from D.B.S. Memorandum, February 1952 and Ontario Annual Report, December 1949 and D.B.S. Report, Births, Marriages and Deaths in Canada, December, 1951.

IMMIGRANT ARRIVALS, ONTARIO AND CANADA (1)

The return of peace in 1945 was followed by a renewed flow of immigration to Canada. The volume of immigration swelled until in 1948 over 125,000 immigrants entered the country, of which 61,621 settled in Ontario. For the next two years immigration lagged but in 1951 it jumped to a level which has not been seen in either Canada or Ontario since the mass immigration years immediately preceding the First World War. In 1951, over 194,000 immigrants entered Canada of which nearly 105,000 or 53.9 per cent, gave Ontario as their destination. To find anything comparable it is necessary to go back to 1913-14 when 120,497 immigrants entered Ontario, but only a portion of them stayed. During the period 1946-1951, Ontario received over 319,000 immigrants, or 51 per cent of the total for Canada.

	Canada					
	Immigration Arrivals From				Immigrants Giving Ontario As Their	Ontario %
Calendar Year	U.K.	U.S.	Other Countries	Total	Destination	Canada
1939	3,098	5,654	8,242	16,994	5,957	35.1
1945	10,853	6,394	5,475	22,722	9,342	41.1
1946	50,984	11,474	9,261	71,719	29,604	41.3
1947	35,957	9,444	18,726	64,127	35,543	55.4
1948	43,724	7,393	74,297	125,414	61,621	49.1
1949	22,201	7,744	65,272	95,217	48,607	51.0
1950	13,427	7,799	52,686	73,912	39,041	52.8
1951	31,370	7,732	155,289	194,391	104,842	53.9

(1) Immigration 1939-1947, Canada Year Book, 1950, p. 186; 1948-1951, Statements issued by The Department of Citizenship and Immigration, Ottawa.

HOUSING STARTS, COMPLETIONS AND CARRY-OVERS IN ONTARIO (1)

Since 1945, the number of completions of new residential housing units in Ontario has increased by two and one-half times from 13,100 units to 31,732 units in 1951. Total completions of new housing, including conversions, has jumped from 15,100 units in 1945 to an estimated 32,782 units in 1951.

Year		Starts	Completions			Carry-Over
			New Units	Conversions	Total	
1945	Total	N.A.	13,100	2,000	15,100	N.A.
1946	Total	N.A.	19,600	1,700	21,300	12,706
1947	Total	N.A.	22,500	2,200	24,700	17,243
1948	Total	29,976	26,391	2,273	28,664	21,112
	Urban	21,547	18,207			16,382
	Rural	8,429	8,184			4,730
1949	Total	34,023	31,440	1,264	32,704	23,585
	Urban	23,107	23,144			16,270
	Rural	10,916	8,296			7,315
1950	Total	33,430	31,318	1,178	32,496	24,331
1951	(2) Total	27,349	31,732	1,050	32,782	19,319
	Total 1945 to 1951 inclusive				187,746	

(1) Data of the number of dwelling units completed in Canada during 1945, 1946 and 1947 are based on returns received by the Dominion Bureau of Statistics from 623 municipalities out of a total of 3,845. These 623 municipalities had approximately 66 per cent of the total population of incorporated municipalities. The number of dwelling units completed as reported in these returns is increased by an estimate of the probable completions in municipalities from which returns were not received. The Dominion Bureau of Statistics only provides figures by provinces in these years of the actual completions reported. As this method leads to an obvious understatement of the completions in the provinces, the number of completions in Ontario for the years 1945 to 1947 has been increased above the actual number reported by the same ratio as the estimates for Canada have been increased above the actual number reported. Completions of dwelling units in Ontario during the years 1948 to 1951 have been estimated by the Dominion Bureau of Statistics from the results of a nation-wide survey carried out each month by the Bureau with the co-operation of Central Mortgage and Housing Corporation.

(2) Preliminary; subject to revision.

PERSONAL INCOME, ONTARIO AND CANADA (1)

Since 1939, personal income in Ontario has increased by more than three and one-half times, rising from $1.8 billion to an estimated $6.3 billion in 1951. Over the same period personal income in Canada rose from $4.3 billion to $15.9 billion in 1951.

Ontario's share of the Canadian personal income reached a high of 42.8 per cent in the war year of 1941 and then gradually declined until a low of 38.6 per cent was reached in post war 1948. Since then Ontario's share of the national personal income has continued to rise until in 1951 approximately 40 per cent of the Canadian personal income went to the Province of Ontario.

Year	Ontario (Amount) (millions of Dollars	Canada (Amount) (millions of Dollars)	Ontario as % Canada
1939	1,766	4,320	40.9
1940	2,059	4,947	41.6
1941	2,522	5,896	42.8
1942	3,002	7,475	40.2
1943	3,367	8,176	41.2
1944	3,566	9,002	39.6
1945	3,729	9,239	40.4
1946	3,821	9,761	39.1
1947	4,068	10,390	39.2
1948	4,608	11,943	38.6
1949	4,953	12,757	38.8
1950	5,327	13,417	39.7
1951	6,300 (2)	15,859	39.7

(1) National Accounts Income and Expenditure 1926-1950, p. 62.

(2) Estimated.

WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME (1)

The level of wages, salaries and supplementary labour income rose to a new peak in 1951. In Ontario, preliminary estimates show that wages and salaries rose to nearly $4.2 billion, an increase of 18.9 per cent over 1950.

On a per capita basis, wages and salaries continue to remain on a substantially higher level in Ontario than in Canada as a whole. In 1951, estimated wages and salaries amounted to $905 for every person in the Province compared with $690 for Canada.

Year	Ontario		Canada		Ontario as % Canada
	Amount (millions $)	Per Capita $	Amount (millions $)	Per Capita $	
1939	1,092	295	2,575	229	42.4
1946	2,189	535	5,323	433	41.1
1947	2,584	619	6,221	496	41.5
1948	3,010	704	7,170	559	42.0
1949	3,246	741	7,761	577	41.8
1950	3,498	782	8,271	603	42.3
1951	4,160 (2)	905	9,660	690	43.1

(1) Dominion Bureau of Statistics, National Accounts, Income and Expenditure, 1926-1950 and 1951 (preliminary).

(2) Estimated.

NET INCOME OF AGRICULTURE AND OTHER UNINCORPORATED BUSINESS (1)

Net income of agriculture and other unincorporated business in Ontario registered an increase in 1951 over the previous year of approximately $283 million while Canada showed an increase of $882 million. This marked upswing was due in large part to the sharp rise in income of farm operators, which was brought about by several factors, including the record wheat crop and the high average prices of livestock.

Final figures will show Ontario's net farm income in 1951 to be substantially higher than in 1950. The value of the 1951 alfalfa, hay and clover crop was $133.6 million, or $17.6 million above that in 1950. Production of cattle and calves on Ontario farms in 1951 was valued at $195 million, $35 million above last year, while production of hogs registered an increase in value of close to $29 million over 1950. The value of the tobacco crop in 1951 was $62.7 million, the highest on record, and $14 million above that in 1950.

Net income of other unincorporated business in Ontario probably rose by at least the same percentage as for Canada, or 9.5 per cent, and thereby contributed substantially to the rise in Ontario's total net farm income and other unincorporated business to $1,300 million compared with $1,017 million in 1950. In 1951 Ontario received something like 34 per cent of the total Canadian net income derived from agriculture and other unincorporated business.

Year	Ontario Amount (millions of dollars)	Canada (2) Amount (millions of dollars)	Ontario as % Canada
1939	306	899	34.0
1946	732	2,161	33.9
1947	789	2,350	33.6
1948	932	2,953	31.6
1949	966	2,969	32.5
1950	1,017	2,942	34.6
1951	1,300 (3)	3,824	34.0

(1) Dominion Bureau of Statistics, National Accounts, Income and Expenditure, 1926-1950 and 1951 (preliminary). Net income of agriculture includes adjustment and equalization payments to farmers by the Canadian Wheat Board but excludes undistributed earnings of the Canadian Co-operative Wheat Producers and the Canadian Wheat Board.

(2) Includes Newfoundland for the years 1949, 1950 and 1951.

(3) Estimated.

COMBINED PUBLIC AND PRIVATE CAPITAL INVESTMENT IN ONTARIO AND CANADA

Combined public and private capital investment in Canada in construction, machinery and equipment since 1940 has totalled over $27.2 billion. Since 1945, Canada's capital investment has increased by 3½ times, rising from $1.3 billion to $4.4 billion in 1951. In Ontario it has more than quadrupled since 1940 to reach $1.7 billion in 1951. Ontario's capital investment forms a large part of the national pattern. Since 1940 an estimated $10.4 billion, or 38.3 per cent, of the Canadian total has been made in Ontario. In the last five years, Ontario's capital investment has been from 48 to 79 per cent greater than in any other province.

CAPITAL INVESTMENT IN ONTARIO AND CANADA
1940-51 (1)
(Millions of Dollars)

Year	Canada	Ontario	Ontario % Canada	Canada's G.N.P.	Capital Investment in Canada as % G.N.P.
1940	1,048)			6,872	15.3
1941	1,463)			8,517	17.2
1942	1,542)	2,739		10,539	14.6
1943	1,485)			11,183	13.3
1944	1,309)			11,954	11.0
1945	1,284)			11,850	10.8
1946	1,703)	2,048	37.4	12,026	14.2
1947	2,489)			13,768	18.1
1948	3,175	1,183	37.3	15,613	20.3
1949	3,502	1,298	37.1	16,462	21.3
1950	3,823	1,430	37.4	18,029	21.2
1951	4,408	1,744	39.6	21,217	20.8
	27,231	10,442			

The following table provides a breakdown of capital investment by type of enterprise in Ontario for the years 1949 to 1951.

CAPITAL INVESTMENT IN ONTARIO, BY TYPE OF ENTERPRISE (1)

Industry	1949	1950	1951
	(Millions of dollars)		
Manufacturing	240.2	239.3	404.7
Utilities	279.9	307.4	382.4
Other Business	312.0	359.0	354.7
Housing	292.2	321.2	335.1
Institutions	72.6	72.9	87.7
Government Departments	101.1	130.3	179.7
Grand Total	1,298.0	1,430.1	1,744.3

(1) Capital investment data for Canada and Ontario, for years 1948 to 1951, are from Private and Public Investment In Canada, 1926-1951, Department of Trade and Commerce, Ottawa, P. 201.

ESTIMATE OF PROVINCIAL-MUNICIPAL CAPITAL INVESTMENT IN ONTARIO, 1949-50 TO 1951-52

(Does not include expenditures or grants for repairs and maintenance)

(Thousands of Dollars)

	Fiscal Years or Nearest Calendar Years (1)		
	1949-50	1950-51	1951-52
1. Direct Capital Expenditures of the Ontario Government			
Highways	32,314	36,001	50,900
Public Works	6,921	8,971	11,950
Hydro-Rural Power Extensions	10,622	7,297	10,035
Resource Development (2)	11,100	12,500	13,200
Education (3)	627	623	685
Grants to Hospitals and Sanatoria	2,561	2,083	3,500
Grants for Community Centres	475	425	422
Grants for New Homes for the Aged	196	652	1,700
Miscellaneous	1,220	1,140	2,300
Sub-Total	66,036	69,692	94,692
2. Provincial Commissions, etc.			
Hydro-Electric Power Commission of Ontario	153,300	138,672	164,097
Ontario Northland Railway	894	3,444	4,020
University of Toronto	2,366	1,772	1,041
Niagara Parks Commission	249	440	148
Sub-Total	156,809	144,328	169,306
3. Municipalities (4)			
Schools	22,000	36,000	38,200
Hospitals	11,300	5,300	8,200
Water	11,500	8,200	28,100
Hydro	2,900	1,200	12,000
Sewers	8,000	12,900	12,800
Drains	1,300	1,400	6,100
Pavement, Sidewalks, Bridges and Road Machinery	7,300	9,700	12,400
Local Improvements	3,000	3,800	1,200
Civic Buildings	5,500	1,500	1,100
Housing	400	400	1,900
Capital Expenditures out of Revenue	4,300	3,900	4,000
Toronto Transportation Commission	9,548	13,520	16,500
Other	10,500	9,300	13,700
Sub-Total	97,548	107,120	156,200
Total of Items 1 to 3 (Less Rural Power Bonus)	309,771	313,843	410,163

(1) Capital expenditures of Ontario Government departments, Hydro, Niagara Parks Commission and University of Toronto are for fiscal years and all others are for calendar years.

(2) Includes the Departments of Lands and Forests, Mines and Planning and Development.

(3) Includes expenditures of the Department of Education on Normal Schools, Schools for Blind and Deaf, etc., and provincial grants for capital purposes to Vocational Schools.

(4) Municipal expenditures, with the exception of those shown for schools, capital expenditures out of revenue and the Toronto Transportation Commission, are 1948, 1949 and 1950 debenture approvals of capital undertakings.

CURRENT EXPENDITURES BY THE GOVERNMENT OF ONTARIO AND ALL LEVELS OF GOVERNMENT IN CANADA AS A PERCENTAGE OF PERSONAL INCOME FISCAL YEARS 1938-39 AND 1950-51 (1)

	1938 - 39			1950 - 51		
	Current Expenditures	Personal Income (1938)	Current Expenditures as % Personal Income	Current Expenditures	Personal Income (1950)	Current Expenditures as % Personal Income
	(Millions of Dollars)		%	(Millions of Dollars)		%
Ontario Government	86.8	1,689	5.1	240.3	5,327	4.5
Federal Government	413.0	4,090	10.1	2,680.5	13,417	20.0
Provincial Governments	289.2	4,090	7.1	777.5	13,417	5.8
Ontario Municipal Governments	106.6	1,689	6.3	274.3	5,327	5.1
Canadian Municipal Governments	288.8	4,090	7.1	519.4	13,417	3.9

(1) Compiled from the Bank of Canada Statistical Summary, 1946 Supplement, pp. 39 and 43; the Bank of Canada Statistical Summary October 1951, p. 176, and December, 1951, p. 218; Public Accounts of Canada, 1951, p. 102; Comparative Statistics of Public Finance 1936-40; Dominion-Provincial Conference January, 1941, Table 50; Annual Report of Ontario Municipal Statistics, 1950, pp. XVIII and 130; and National Accounts, Income and Expenditure 1926-1950, p. 61.

ESTIMATED TAX COLLECTIONS IN ONTARIO BY THE THREE LEVELS OF GOVERNMENT FISCAL YEARS 1938-39 & 1950-51

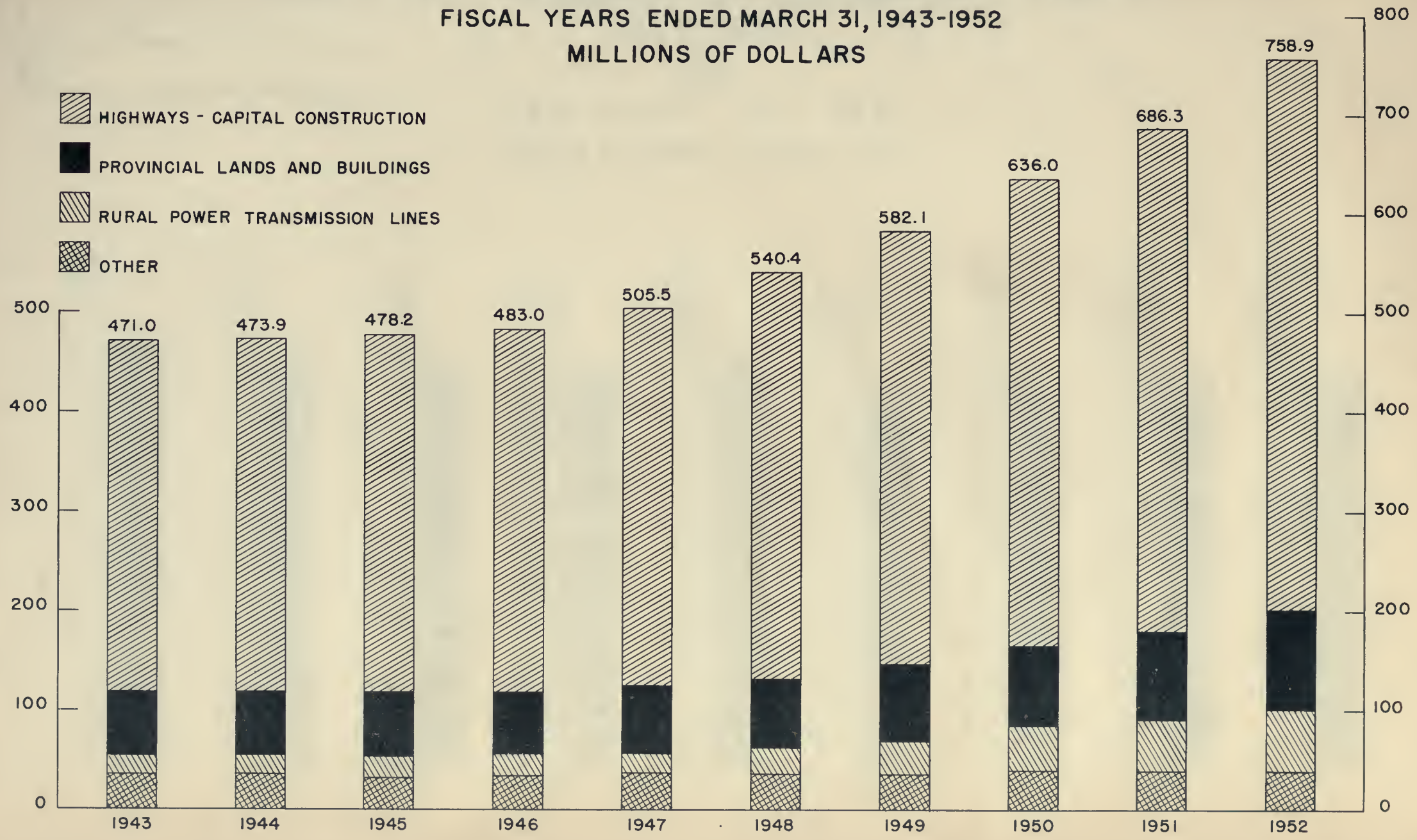
	1938-39 $ (millions)	% Total Tax Revenue Collections	1950-51 $ (millions)	% Total Tax Revenue Collections
Federal Government Tax Collections in Ontario (1)	(2) 188.5	49.1	1,212.5	73.2
Ontario Government Tax Collections	80.6	21.0	255.1	15.4
Ontario Municipal Government Tax Collections (3)	115.0	29.9	188.4	11.4
Total	384.1	100.0	1,656.0	100.0

(1) Any estimate of the Federal Government's tax collections in Ontario must inevitably be approximate. Compilations of the Federal Government's direct taxes, such as corporation and personal income tax and succession duties, are based on the figures published in the report of the Department of National Revenue, "Taxation Statistics". Federal collections of indirect taxes, such as sales and excise taxes, are estimated on the basis of the ratio of retail sales in Ontario to those in Canada.

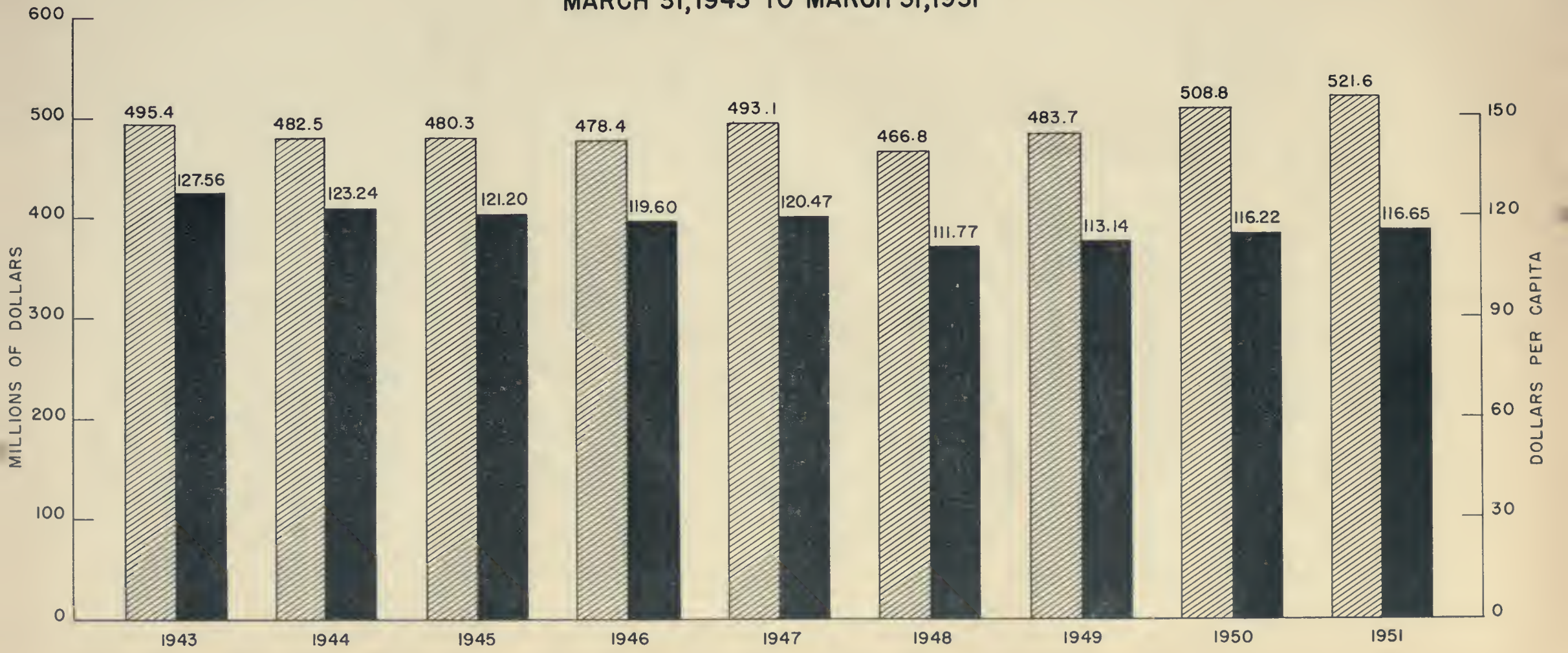
(2) Includes taxes such as those on corporations and gasoline and motor vehicle licenses, mining royalties and liquor control profits.

(3) Compiled from Annual Reports of Municipal Statistics of Ontario.

PROVINCE OF ONTARIO
CUMULATIVE INVESTMENT IN PHYSICAL ASSETS
FISCAL YEARS ENDED MARCH 31, 1943-1952
MILLIONS OF DOLLARS



PROVINCE OF ONTARIO
NET DEBT
AND
PER CAPITA NET DEBT
MARCH 31, 1943 TO MARCH 31, 1951



MR. H. C. NIXON (Brant): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. Speaker, to-morrow there is the matter in which the Hon. Minister of Labour (Mr. Daley) is interested, and which was adjourned the other day. Also, the order regarding the Agricultural College, standing in the name of the Hon. Minister of Agriculture (Mr. Kennedy); the order concerning the Power Commission, in the name of the Hon. Minister (Mr. Challies) and the Public Service Act standing in the name of the Provincial Secretary (Mr. Welsh).

On Monday, Mr. Speaker, I propose to proceed with some of the Government orders, with the estimates relating to the Provincial Secretary, and also the supplementary estimates mentioned in the Budget. I think it is desirable to proceedin that way. I would be very happy to co-operate with the Hon. Leader of the Opposition (Mr. Oliver) in connection with the estimates, and I will give him notice as to when the estimates will be called, so he will have the fullest opportunity of knowing what the order of business is. That will occupy us onFriday and Monday. On Tuesday

we would like to proceed with the Budget Debate, if that is satisfactory to the hon. member for Brant (Mr. Nixon).

Mr. Speaker, I move the adjournment of the House.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the Hon. Prime Minister (Mr. Frost) if he going to proceed with the St. Lawrence Bills on Monday?

MR. L. M. FROST (Prime Minister): I had not thought of Monday. I would like to dispose of them in Committee stage next week, and if the Hon. Leader of the Opposition (Mr. Oliver) has any particular day in mind, it may be possible to do that. Of course, after the speech by the hon. member for Brant (Mr. Nixon) on Tuesday, the hon. members of the House will no doubt be speechless, and we may be able to proceed with the matter of the hydro Bills.

Motion agreed to.

The House adjourned at 5.10 p.m.

First Session

of the

Twenty-Fourth Legislature

of the

Province of Ontario

0

Toronto, Ontario, February 21, 1952, et seq.

0

Volume XXII

Friday, March 21, 1952.

0

HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Chief Hansard Reporter
Parliament Buildings
Toronto

TWENTY - SECOND DAY

PROCEEDINGS

of the

FIRST SESSION OF THE TWENTY-FOURTH LEGISLATURE, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, ON THURSDAY, FEBRUARY 21st, 1952, et seq.

Hon. (Rev.) M. C. DAVIES, Speaker,
Presiding.

- - - - - - -

Toronto, Ontario,
Friday, March 21, 1952.

- - - - - - -

The House having met. 3 o'clock p.m.

Prayers.

MR. SPEAKER: May I draw the attention of the hon. members to two things, please? First of all, to those who may be a little short of money, may I remind you that after next Monday it will be impossible to obtain an advance on the indemnity coming to you. The books will be closed as of next Monday afternoon, so I would suggest if you do need a little bit of extra money to carry you through prior to receiving your indemnity, you see the Accountant not later than Monday morning.

The second has to do with all of us. I have been advised by the Accountant -- and those who are guilty of the lack of doing this little job will be notified this afternoon -- that there are

quite a number of hon. members who have not filled in their T.D. Form. It seems that unless all these forms are filled in by all the hon. members, those of us who have taken that little bit of trouble will be deprived of our pay next week. I am very, very sure no hon. member of the House wants to be responsible for other hon. members not being paid. So I do suggest, when you receive your notice from me this afternoon, together with an additional T.D. Form, that you fill it in immediately, because they must be in by next Monday at the very, very latest.

May I ask for your hearty co-operation on this very, very simple matter.

I wish to stand corrected on one little piece of information. If you need money -- you always do, I am sure -- you will see the Clerk of the House, please, for any advance. I am not quite sure what the regulation on advances is but you can get a certain amount. The Government does not give you the advance, but if you need a little extra, see the Clerk of the House.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. J. YAREMKO (Bellwoods): Mr. Speaker, I beg leave to present the first report of the Standing Committee on Legal Bills, and move its adoption.

THE CLERK ASSISTANT: Mr. Yaremko of the Standing Committee on Legal Bills presents the following as its First Report:

> "Your Committee begs to report the following Bill without amendment:

Bill No. 61 - An Act to amend The Jurors Act.

"Your Committee begs to report the following Bills with certain amendments:

Bill No. 40 - An Act to amend The Division Courts Act
Bill No. 45 - An Act to amend The Registry Act
Bill No. 46 - An Act to amend The Surrogate Courts Act
Bill No. 57 - An Act to amend The County Courts Act
Bill No. 59 - An Act to amend The Sheriffs Act
Bill No. 60 - An Act to amend The Judicature Act.

"All of which is respectfully submitted."

Motion agreed to.

MR. SPEAKER: Reports by Committees.

Motions.

Introduction of Bills.

ASSESSMENT ACT

HON. G. H. DUNBAR (Minister of Municipal Affairs) moves first reading of Bill intituled, "An Act to amend the Assessment Act."

He said: This is the usual Bill, Mr. Speaker, introduced each year to amend the Assessment Act, which I would ask to be carriedon to second reading,and it will be sent to the Committee on Municipal Law.

Motion agreed to: first reading of the Bill.

PAYMENTS IN LIEU OF TAXES

HON. G. H. DUNBAR (Minister of Municipal Affairs) moves first reading of a Bill intituled, "An Act to assist Municipalities by providing for payments by Ontario to Municipalities in lieu of Taxes."

He said: Mr. Speaker, this is a Bill complementary to a part of the speech by the hon. Prime Minister (Mr. Frost) given yesterday, concerning the Estimates, wherein the Province was going to give an amount in lieu of taxes to the municipalities; that is to say, when the Federal Government decided, two years ago, that they would give an amount in lieu of taxes to the municipalities, they inserted a clause to the effect that 4 per cent. of the total assessment of a municipality must be Federal property, otherwise no allowance would be given.

We do not do that. We say: "Supposing you have only one building in a municipality, you will receive relief in lieu of taxes on that building or land". With reference to payment by the Hydro, the hon. Minister (Mr. Challies) will introduce a Bill on Monday which will look after payments by the Hydro-Electric Power Commission.

From information filed with the Department, there are 330 municipalities in the province which have assessed properties owned by the province or provincial agencies or the H.E.P.C. Toronto's assessment will be about $10 million at the present time. But, when you look into the future, and see the wholesale liquor supply building site costing $434,070, and that so far there is an assessment of only $5,000 on the building, hon. members may well wonder what that assessment will amount to when construction of the building has been completed. They have just started the building.

The Workmen's Compensation building will be the same when completed, although, using their own figures, the assessment is only $10 million. I notice that Mr. Gray's report states that they have not been assessed for twenty years. I understood they were re-assessed a couple of years ago, but I noticed in the newspaper last night that Mr. Gray said these had not been touched for twenty years. It would, in that case, appear that the figures we obtained at the Mayors' and Reeves' Convention for the taxes that were being lost, were not accurate figures. This may develop when we assess these lands and buildings in Toronto. The assessment may be considerably more than $10 million, because I am just taking their own figures, and I feel sure it is low when compared to what it will be when we shall have completed the process of re-assessment.

This building we now occupy will be one of those assessed. The one across the road -- the Whitney Block -- will also be assessed, but not hospitals, schools or other similar institutions. However, all of the "public buildings", such as those connected with the maintenance of highways throughout the province, will all be taxed. I should not properly use the word "taxed". We shall figure it on their assessment, but it must be given in lieu of taxes. This Provincial Government has no power to tax crown property, but we can give an amount in lieu of taxes so it will be figured on the assessment.

Regarding the Utilities, I know the hon. member for Windsor (Mr. Reaume) will be quite interested to learn that it is no longer "may" with Utilities, it is a definite "must", that the municipal utilities have to be assessed and figured out, and it will be paid in lieu of taxes to the municipalities, about which you have had difficulty in the past. That problem has now been overcome.

Since this is to be a short sitting, and some Bills are to be presented, I shall not go into all the particulars, but, on second reading of this Bill, I shall be prepared to submit particulars if any hon. members are interested in learning how the Bill will affect their respective municipalities. Do not hesitate to ask me any questions about the Bill. We have secured information from the Auditor's Reports of the different municipalities, and, although there are some municipalities in the outlying districts which have not as yet been assessed, they will receive something in lieu of taxes. We shall see that they are assessed, and no municipality will be overlooked.

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, I wish to ask a question of the hon. Minister. I wonder if those provisions include the Rainbow Bridge and the store zone under the Bridge.

MR. DUNBAR: I think you do get $12,000 in lieu of taxes for that. If I remember correctly, in looking over the estimates which I shall soon be presenting to the House, I noticed $12,000 in lieu of taxes.

MR. HOUCK: That is the property, not the Bridge itself.

MR. SPEAKER: We shall have a discussion about that matter, I am sure, upon second reading. I am sorry that I cannot allow more than an explanation of the Bill, on first reading.

Motion agreed to; first reading of the Bill.

(Page A-8 follows.)

MR. SPEAKER: Introduction of Bills.

Orders of the Day.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

The 32nd Annual Report of the Department of Labour for the Province of Ontario for the fiscal year ended March 31st, 1951: and

The Report of the Special Committee of the Research Council of Ontario on the pollution of the waters of the Spanish River.

MR. SPEAKER: Orders of the Day.

HON. D. PORTER (Attorney-General): Order No. 26.

CLERK OF THE HOUSE: 26th Order, resuming the adjourned debate on the motion for Second Reading of Bill No. 80, an Act to amend The Workmen's Compensation Act.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, when speaking on this Bill a few days ago I said that although the Workmen's Compensation legislation and its administration is far better than is to be found in many other areas, there was a need for considerable improvement both in the Act and its administration.

To refresh the memories of the hon. members, I want to remind them that, on that occasion I dwelt on the accident prevention features of our Workmen's

Compensation law. I tried then to emphaxize the importance of giving Labour an opportunity to participate in accident prevention work. I said that working people are more interested in the prevention of industrial accidents than any other part of industry in the community, and that it was unreasonable to permit the continuation of a system of accident prevention which, while being paid for by the Workmen's Compensation Board, is administered and operated exclusively by management.

Before leaving that point, I merely want, for the purpose of strengthening that argument and my appeal to the Government for a change in the Workmen's Compensation Law., to put on the record the words of Mr. Justice Roach who was the Commissioner during the investigation of the Workmen's Compensation Act in 1950. I am quoting from page 91 of the Report of Mr. Justice Roach, where he said:

> "In my respectful opinion the present provisions of the Act dealing with accident prevention are not adequate and need revision. Since accident prevention is of common interest to both employers and workmen it would seem logical that they should both actively participate in any organized system the purpose of which is to lessen industrial accidents. As between the two groups it seems to me that the workmen are much more vitally interested than the employers. If a workman is maimed in an industry, the employer has to pay the compensation, but no monetary allowance can ever adequately compensate a workman who has to go through the balance of his life minus an eye or a hand or some other member."

I suggest, Mr. Speaker, that these very clear-cut

words of the Commissioner should be taken to heart by the Government and that it should agree to so amend the Act that the recommendation will be implemented.

That is one point with which I wanted to deal, namely that of accident prevention. There are, however, a couple of points on the Workmen's Compensation Act I think should be mentioned at this time to enable the hon. Minister of Labour (Mr.Daley) to reply to them.

The second point is one that I have stressed in this House for a number of years. In fact, I think that like the hon. Prime Minister (Mr. Frost) I can say this is the tenth occasion on which I have spoken on this issue. That is the special needs of injured workmen who reach a stage where their incapacity borders on the psychological or mental; in other words, I have said in the past, and I repeat now, that in addition to the good work we do at Malton, we should establish a department of psychiatrists and professional social workers to deal with the type of case which is no longer considered physical by the ordinary physician or specialist,but which, nevertheless, is a serious incapacity in so far as the workman is concerned.

We have many instances -- and I am sure every hon. member of this House has had experiences of the same sort that I have -- of workmen who come and complain that they are handicapped and incapacitated but that the Compensation Board refuses further compensation. Medical opinion which is usually the basis

for the decision of the Compensation Board in such instances often is that the man has no longer a physical handicap, that he has been cured, but the person involved does not think so, and he complains of serious pains and inability to perform his work.

I suggest that in such cases the incapacity is as real to the person affected as if it were actually a physical incapacity, and that we cannot in such instances dismiss the applicant, discharge the case and tell the workman to go and take care of himself, that we are no longer responsible for him, when he is still unable to work.

(Take "B" follows)

May I, Mr. Speaker, cite a case to prove this point? About three years ago, the hon. Prime Minister (Mr. Frost) and the hon. Minister of Labour (Mr. Daley) made a tour of Malton. In the official publications of the Government, there was carried a number of photographs of the hon. Prime Minister (Mr. Frost) and the hon. Minister (Mr. Daley) speaking to an injured workman who was flat on his back, and who was being helped in Malton. What happened, Mr. Speaker, is this; the workman receiving assistance in Malton was eventually discharged as being cured and able to work. However, he cannot work and, in his opinion, continues to suffer definite and serious pain in his back. He has appealed to the Compensation Board and it was until recently considered a closed case. Yet this same man collapsed at the door of the General Hospital some months ago and is at present in the Hospital receiving some treatment. I am advised by the family of this injured worker, that the physicians in the Hospital, and they are undoubtedly sincere in their opinion, feel this man suffers no visible incapacity and yet he is so affected, he cannot work. He is at present in the Hospital.

I suggest in cases such as the one I mention, and in hundreds of others, specialized treatment is required, and that should be part of the rehabilitation work now carried on in Malton. Perhaps this should be

done in conjunction with the Department of Health; perhaps it should be done in collaboration with private social service agencies, but I do appeal to the Government to take the necessary steps for the establishment of such specialized treatment for cases of that sort. I could cite cases from memory for hours, but I do not want to take the time of the House. The hon. Minister (Mr. Daley) is aware of some of these cases.

Let me mention just one other case of a man who has not worked for about ten years. This family is in a terrible state of mind as well as in the most unhappy financial position, because the woman is working but he is not. There is a dispute between him and the authorities on the Board, as to whether he continues to be a responsibility, but for all intents and purposes, that man is sick and incapable of working, yet he was fully able to work prior to the industrial accident.

Another point I wish to bring to the attention of the Government, Mr. Speaker, is that of pre-existing physical conditions. This matter was discussed quite fully during the hearings of the Commission and, I might say Mr. Justice Roach came to some very positive conclusions which I believe have not yet been implemented. , What is that special problem?

It is this, - that an industrial accident very

often aggravates a physical condition which existed prior to the accident, but the Commission, in accordance with the present legislation and regulations, does not recognize the aggravation aspect of it. This works great hardship on many workmen. Mr. Justice Roach, in his Report, in dealing with this question, made the following statement, as appears at page 46 of his Report:

> " To insure that section 2(1) shall be given its proper application I recommend that the following be added as subsection 5 of section 2:
>
> '(5) Where an accident causes any injury to a workman and that injury is aggravated by some pre-existing physical condition inherent in the workman at the time of the accident, the workman shall be compensated for the full injurious result, save only where the pre-existing physical condition is due to an injury for which the workman is then receiving compensation, or was at some earlier date receiving compensation which has been commuted.'"

Mr. Speaker, this is a serious aspect of our compensation work. It happens very often that certain physical conditions become aggravated and have a lasting, harmful effect upon a workman as a result of the immediate injury, but the Compensation Board only recognizes immediate injury and not pre-existing conditions which were aggravated. In their opinion, and they are guided by present legislation, when the

injury is taken care of, say, for the loss of toes, or the amputation of part of a leg, and has healed, they will decide that man is finished as far as treatment is concerned, and that he has lost earning capacity by ten per cent., fifteen per cent., or twenty per cent. And yet, that injury may have put into motion serious developments which, because of his condition, result in his being totally incapacitated. He gets no compensation for it. I will present to the hon. Minister (Mr. Daley) anytime he is prepared to receive them, actual cases of this sort, where workmen are totally disabled.

In one case, it was an eye that was affected; another case, it was the kidney. In one case a woman, the wife of the husband injured, has gone to almost every hon. member in the Cabinet with her case. I do not want to mention names, but the hon. Minister (Mr. Daley) I am sure, is aware of it. I am dealing with the Compensation Board at the moment on that case. They are sure that it was not as a result of the injury received he is totally disabled. Medical examiners are not in a position to say it was, but the family get no compensation. I appeal to the Government to accept the recommendation of Mr. Justice Roach and apply it very liberally, because it affects the well-being of many families

(Page B-5 follows)

One other point or two, and I will be finished. The question of the older pensioners has been discussed here and the hon. Minister (Mr. Daley) spoke about them. Mr. Speaker, no one denies that this constitutes a very serious problem, that it involves a great deal of money. At one time, I was told in this House, that in order to take care of those injured years ago, when earnings were low and compensation rates lower than they are to-day, in order to bring those old cases in line with present payments, an amount of something like ten million dollars would be required. It may be more than that now, but at one time I remember that figure was quoted to me. I will correct that, I do not think it was mentioned in this House, but I was given that figure by the late Mr. Morrison, in discussing it with him, when he was Chairman of the Compensation Board. I told the late Mr. Morrison, and I say it here, that ten million dollars is, of course, a lot of money, but I do not think it is beyond the ability of industry in this province to carry. Let us be clear about it, Mr. Speaker, it does not call for the expenditure of ten million dollars in one lump sum or that the amount be raised in one year. It means that approximately that amount of money would be required to completely

discharge the responsibilities of the Compensation Board to all these families during their lifetime. I do not think it is beyond the capacity of industry in this province to assume another small percentage of payment towards the creation of a special fund to take care of these very unfortunate families. The argument is advanced, and it was advanced before the Royal Commission, that it would be wrong to tax industry today for accidents that occurred twenty years ago, many of which firms may even be out of existence. Legally and formally, it may be argued that way, but if we approach this question from a human point of view, from the point of view of the lives of a few thousand people affected who do not receive sufficient compensation to live in any way decently, who are even denied sufficient food, who are obliged to seek charity and relief, Mr. Speaker, I think we can overcome this problem. Industry will not be impoverished and care will be given to these needy cases. I do not know what the percentage of increase would be or the additional levy, but I am sure it could be worked out if the will to do it were there.

In conclusion, I repeat one point I have spoken of in the past, and feel I should repeat. We

are all very glad about the increase in the rate of compensation. I think it is a year ago that the new increase was agreed upon from 66-2/3 per cent, to 75 per cent. I maintain that the compensation should be 100 per cent. The reason I say that, and it is the opinion of a great many people, is when the breadwinner of a family is incapacitated because of an industrial accident and you give that family only 75 per cent of the earnings of the breadwinner, you are punishing the wives and the children, and I think that is unfair. Their loss becomes extremely difficult and there is no justice to this approach. I have been told that if we were to pay 100 per cent compensation malingerers might take advantage of the compensation and return to work much later than they normally would. Mr. Speaker, I am not going to argue that there may not be an odd case where this may be done by a person but I deny that any considerable number of injured workmen would ever resort to such a thing. Because the family is made to suffer due to no fault of theirs, nor to the fault of the father, the head of the family, I continue to argue that compensation should be 100 per cent, so that the family, the wives and children, and other dependents should not be made to suffer as they are made to suffer under present regulations.

MR. S. F. LEAVINE (Waterloo North): Mr. Speaker, I would like to make a contribution to the Debate dealing with the Workmen's Compensation Act by reason of the fact that my practicing days, in the main, coincide with the existence of this Act and of this Board, and I also belong to a profession which has the duty of translating into being, the policy of the Board for the benefit of the injured workmen.

I may say I doubt whether in the smaller municipalities there is any person who has had a more intimate and pleasant relationship with the Compensation Board. I can confirm its meritorious evolution to the present, and I welcome the further expansion of its policy at this time. May I say that at no time have I found the Board members to be arbitrary; they have always kept an open mind and I think we should pay tribute to the Chairman, referred to by the hon. mamber for St. Andrew (Mr. Salsberg) the late William Morrison, of Hamilton. He is responsible for many of the expanded ideas of the Board now put into practice.

I would point out to those who advocate 100 per cent payment for disability, that they are not acquainted with applied psychology. I have the duty of trying to return many of these people to work, and I know wherein the difficulty rests. While a great

deal has been made of the fact that no appeal is possible in the legal sense, may I point out there is a provision for appeals; at least, I have utilized it many times over the years and I do not think it is peculiar to my own situation. As the problem is usually admitted to be one of considerable complexity and hinges upon the fact as to whether it is post hoc or propter hoc, whether it is for this, or on account of this, that the disability arises, where I have had some doubt or where the claimant has some doubt, I have asked the Board to nominate a panel of three consultants in the required specialty and asked them to allow the complainant to pick from the board or panel, one person who is to make the decision. You pick a specialist in that line, a man who is interested in the causation of the problem and I have found in many cases, they come up with a solution that is satisfactory not only to the claimant but to the Board. I do not say it is one hundred per cent. satisfactory, because again the confusion arises of whether it is post hoc or propter hoc. I think after yesterday's presentation of the Budget in which we saw one million dollars transferred for the pensions of teachers, with which I might say I am totally in accord, and I very much appreciated the presentation

of the hon. Minister of Labour (Mr. Daley) when he told with accuracy and soundness, the reason why pensions awarded in the past could not be increased. The problem is, nevertheless, very real and I think it is a problem which warrants study by the Board and industry throughout this province. If it is beneficial for the teachers to receive such treatment, I submit it is beneficial for the workmen who have been injured in the past.

(TAKE "C" FOLLOWS)

One other improvement is asked for, and that is the compensation be paid for those injured in civil defence effort. At the present time we are having difficulty covering our temporary policemen , firemen, and our general workmen.

Those are two improvements which I think are very much in order, and I stand before you as one who thinks and knows from experience that this has been and is the best Act of its kind in the world.

I would make another recommendation to the Board, but perhaps for not such serious consideration. Some of us are only visitors in Toronto and temporary residents. May I point out that we, who come from the outlying districts, are not entirely acquainted with the type of motorists you have in the City of Toronto, and we are not nearly as agile as Toronto pedestrians, and there should be some coverage given to those of us who are here from outlying districts, because every time we go downtown on your city streets, we take our lives in our hands.

MR. S. J. HUNT (Renfrew North): Mr. Speaker, may I say at the outset that I am wholly in agreement with the principle of this Bill.

I have a specific case of a situation which

may be more or less general throughout the Province, which I have been asked by an employer of the man involved in this particular case to bring to the attention of the House, when the Workmen's Compensation Act amendment was being discussed. I will quote an extract from a letter sent by the Board:

> "The point I am trying to make for the benefit of Dr. Cotnam and the employer is that conditions which may be termed purely physical, or health conditions which merely manifest themselves while a person is at work, are not covered by the provisions of any Workmen's Compensation Act, and no doubt this thinking is proven in the minds of the legislatures down through the years because the entire cost of compensable accidents must be paid by the employer with no contributions from either the workman or the Government. In fact such conditions were discussed before the Royal Commission enquiry which was conducted by Honourable Justice Roach a year ago, and the Justice recommended to the Legislature that such purely physical conditions were certainly outside and should be outside the provisions of Workmen's Compensation Legislation."

In this particular case, the employer, the National Grocers Company Limited, is 100% behind this man's claim.

There are several reasons why I wanted to bring this up. The first is, that this man was a veteran of the Second World War, discharged in 1946, from the Canadian Army, with a clear bill of health, so he is a comparatively young man, and, as shown in

the letter, since then he has lost no time from work due to illness, other than a couple of weeks in regard to some minor operation, in a previous year.

This is a coronary case, which the man suffered on the 19th of October, 1951. He is still under medical ca e and hospitalization.

I have a letter here from Dr. D. A. MacKercher, of Cobden, Ontario. In passing, may I say that Dr. MacKercher has nearly thirty years' experience as a practising physician in the Village of Cobden. The letter is as follows:

> "Re: Mr. Earchman Zufelt.
>
> On Oct.19/51 I was called to the farm of Mr. Klaus Beimer to see Mr. Zufelt, who was suffering from an acute attack of coronary, suffered after he ran from the field near the farmhouse to his car, when it started to pour rain very hard.
>
> He had been in the field looking at potatoes to buy for his firm, when the rain started.
>
> There is no doubt, this over-exertion of running to the car, was the cause of the attack and as it occurred when in the course of his duty to the firm, it should in my opinion be covered by compensation."

I also have a letter from Dr. H. B. Cotnam, of Pembroke, supporting the statement made by Mr. MacKercher, which I do not intend to read.

This is not something new to come before the

Workmen's Compensation Board, but it is not covered under the regulations of the Workmen's Compensation Act.

In another sentence it said:

> "He need only refer to the various representations made by the Labour Organizations representing fire fighters, who have been for some time striving to have coronary thrombosis declared an industrial disease for fire-fighters under the provisions of various Workmen's Compensation Acts."

I understand that something has been done by way of revising or amending the regulations, to include fire-fighters who suffer from coronary thrombosis, while in the discharge of their duties.

I would like to suggest to the Hon. Minister (Mr. Daley) that consideration be given to amending this Bill, when it comes before the Committee of the Whole House, by adding an additional clause, so that the workmen or employees who suffer a coronary while actually engaged in the discharge of their duties may be compensated in some way.

MR. A. WREN (Kenora): Mr. Speaker, I have one or two observations to make on the amendment to the Workmen's Compensation Act, as I mentioned when I was speaking the other day on the reply to the Speech from the Throne.

At the outset I want to say that many of the

railroad unions are in complete accord with the provisions of this amendment in its coverage for apprentices and "learners" who are exposed to injury, although not actually employed by the railroad. May I commend the Hon. Minister (Mr. Daley) for including those in the legislation.

There is one matter which I mentioned the other day, and which has also been mentioned by one or two hon. members, and that is in regard to compensation to people who have been injured in previous years while working for lower incomes more particularly those who are widows and dependents of men who were killed while engaged in the discharge of their duties. I do not think we can fail to recognize the need of these people. I can appreciate the problem the Hon. Minister (Mr. Daley) has when he says it might be difficult to reconcile the costs of these adjustments, with the costs of compensation in industry to-day.

But I think there is one thing missing from every balance sheet of industry, something which perhaps cannot be expressed in dollars and cents, but something which certainly has a proper place in the assets of any company, and that is the loyalty over years of service which an employee in that industry has devoted to it. There is no way of expressing it in

dollars and cents. There is another means of expressing the equity these men have in industry, and that is by seeing to it that their wives and dependents are cared for adequately, should the workmen be killed in the performance of their duties.

Let me cite, as an example, the Dominion Government. It pays a widow with two children $170 a month, if the husband is killed in military service. I know the examples are not precisely parallel, but I often think -- and I have had military service myself -- that a man in industry who is obeying the orders of an executive officer or foreman, or other person in authority in his company, is just as entitled to protection as the man in uniform who is obeying the order of a sergeant or an officer.

By comparison, under the present rates of compensation, a widow with three children would receive $74.00 a month. There is a wide difference between the $74.00 a month she would receive under our present regulations, and the $170 a month she would receive had her husband been killed while wearing a military uniform.

I agree this is something which will require considerable study, but I do hope the Hon. Minister

(Mr. Daley) will take the matter under serious advisement, at the earliest possible date.

My riding, while large in area, is not so great in population as many of the southern ridings, but I personally know more than twenty widows with families who are actually in need, whose husbands were killed in the line of duty, and in the discharge of those duties, were carrying out the orders given to them by a superior in the industry.

I am inclined to agree with the Hon. Minister when he says that we have the best compensation laws in the world, and may I say to him, let us keep it the best. I do not think we should hesitate to keep our compensation legislation to the fore, by paying particular attention to the families and dependents of the men who have lost their lives in the service of the industry which employed them.

There is another observation I would like to make to the Hon. Minister (Mr. Daley) while this matter is under consideration. That is the manner of settling hospital accounts. As any hon. member of the House, who has served on a Hospital Board or been connected with a hospital in any way, knows, one of the greatest problems with which a hospital is faced is the collection of

accounts, As serious as the collection of individual accounts becomes, the collection of compensation accounts by hospitals, for some reason or other, is very complicated, and it has resulted in a serious financial loss to many hospitals. In fact, one of the hospitals in my own riding writes off per year several thousand dollars, in regard to compensation accounts which cannot be collected, because of some mistake, or some lack of correctly following the procedure, either by the workmen or by the doctor, and possibly sometimes by the hospital itself.

In the northern country particularly, there are a large number of D.P. workmen, who are not conversant with our language, nor with our regulations. We find one particular point which is becoming very serious, and that is the report the workman has to make to the Board on his own initiative, which has some direct relation to the hospital accounts. Many times the workmen cannot understand the form, and, of course, neglects to ask anyone who understands it to help him. The result is, the hospital bill is not paid. I have a rather intimate knowledge of this matter, because I have something to do with the hospitals at home.

I also have a letter from the Board of the Kenora General Hospital, where they are experiencing the same difficulty.

I would commend the attention of the Hon.Minister to this fact, because industry has paid for the coverage, a workman is entitled to treatment, which the hospital generally willingly provides, and I would seriously ask the Minister to study this matter and see if some better means of protecting the hospitals cannot be worked out.

MR. T. D. THOMAS (Ontario): Mr. Speaker, I do not wish to prolong the debate on the amendment before us. The hon. member for Cochrane South (Mr. Grummett) and myself welcome this amendment, but frankly we are disappointed. We think the Government should bring in some further amendments along the lines suggested by Mr. Justice Roach.

I listened with a great deal of attention the other afternoon to the remarks by the Hon. Minister of Labour, which were very interesting and very informative, but there was one statement he made which I think could be questioned. That was when he said the Government had dealt with all the recommendations of Mr. Justice Roach, except the one referring to accident prevention.

I think, Mr. Speaker, the Hon. Minister may agree that statement was somewhat of an exaggeration.

To the question of payment for those who have been disabled in the years gone by. I was very pleased to hear the the hon. member for Addington (Mr. Pringle) and the hon. member for Waterloo North (Mr. Levine) have agreed on the question of the adjustment for compensation of these unfortunate people.

I would like to ask the Hon. Minister if he thinks this request is a reasonable one, and that some adjustment should be made. Would the Hon. Minister care to answer that?

---Mr. Speaker retires.

---Mr. Parry in the Chair.

HON. CHARLES DALEY (Minister of Labour): I will answer all the questions, Mr. Speaker, in a moment.

MR. THOMAS (Ontario): It was said the other afternoon, it should not be a charge on the municipality. Sir Justice Roach recommended that it should be paid out of the consolidated revenue.

I agree with the hon. member for Waterloo North (Mr. Levine) when he said if we can apportion

one million dollars toward the super-annuation fund for the teachers -- with which, of course, I am in complete agreement -- I see no reason why an adjustment cannot be made for the unfortunate people who have been injured in the days gone by.

I hope the Hon. Minister will consider his attitude of Monday and tell us the Government will give this some further consideration.

The question of accident prevention has been very ably covered by the hon. member for St. Andrew (Mr. Salsberg). While the manufacturers, of course, are interested in cutting-down the accident incidence, we must agree that the workers are also, but from a slightly different angle. The manufacturers, of course, think of the decrease in the levies which might be made by the Workmen's Compensation Board. But, Mr. Speaker, with the working people, those engaged in industry, it is a question of the loss of a leg or an arm or an eye, or even perhaps the loss of life itself. They stand to sacrifice everything, if they are unfortunate enough to be involved in an accident, and no monetary reward can compensate them for the loss of a limb or of life itself.

I would ask the Hon. Minister if he would

re-consider the question of representation of organized labour on these Committees. The hon. member for St. Andrew (Mr. Salsberg) quoted an extract from a report of Mr. Justice Roach regarding accident prevention. I wish he had gone a little further. On the same page, the learned judge is very critical of the present arrangement, insofar as accident prevention is concerned. I would like to draw that to the attention of the Hon. Minister, as it seems to me it proves very conclusively this point, where he says:

> "Several of the associations complained they were handicapped in properly furfilling their functions by reason of:
>
> (a) lack of sufficient funds, and
>
> (b) the failure of the Board to impose sanctions on employers who flagrantly violate well-recognized rules for safety, notwithstanding the association has reported these violations to the Board."

I hops the Hon. Minister will re-consider the question of representation of organized labour on these accident-prevention committees, because I feel if they are given an opportunity to co-operate in the years to come, it will pay dividends, because no one is more interested in the curtailment of accidents than the men who are operating the machines.

HON. CHAS. DALEY (Minister of Labour): Mr. Speaker, in reply to the representations made this afternoon, I think I shall pass quickly over the amendment before the House, because it has been gone into very carefully, and I think practically all hon. members are in agreement with the amendment proposed.

The other day, while making representations to the House, I was asked a question by the Hon.Leader of the Opposition (Mr. Oliver) if there was an appeal, and I said, "No, there is no appeal". I meant that from a legal point of view, Mr. Speaker, because, as I have said frequently in this House, a case before the Workmen's Compensation Board is really never closed.

The procedure, when a case is sent to the Board, is as follows:

It goes, first, before a claims officer, who is experienced, from dealing with thousands of cases of this kind.

---Mr. Speaker resumes the Chair.

MR. DALEY: The claims officer rejects the claim, that is, if he feels, in his opinion, the claim is not justified, then the applicant for compensation will have access to a review board, which is composed of a doctor and two members of the staff. If the claim

is still rejected, he has a further appeal to the Workmen's Compensation Board itself -- the actual members of the Commission. If he is still not satisfied, he has, as the hon. member for Waterloo North (Mr. Levine) said, the right to appear before a referee. There is a group composed of three specialists, men considered to be "tops" in their profession, men who have no connection with the Board, with the industry, nor with the injured workmen, but are three absolutely impartial men, one of whom will be the referee. When the applicant's case is completely reviewed, and we hope justly dealt with.

That is the type of appeal there is, Mr. Speaker, to prevent injustices creeping into the administration of the Workmen's Compensation Board.

With regard to accident prevention: I will not deal with this at any great length to-day, because time is passing, but accident prevention is, and has been given a great deal of consideration by myself, members of the Board, members of organized labour whom I have met on frequent occasions -- as a matter of fact, I have an appointment with a group for next week -- to endeavour to see if there is a better

way by which this work could be done.

We have spoken about the employers performing the accident prevention work. Actually, it is the workers, as the foremen, the superintendents, people under the direction and supervision of management, who are the people formed into committees in industry, and who meet regularly to discuss the problems below the management level.

(Take "D" follows.)

I do not want the impression to be created here that it is just management itself that sits up in its big offices and directs all this, because it is not. Actually, the management of an industry may not have very much to do with this, but it is their men, their foremen, their superintendents all through the plant who are checking and watching and doing this accident prevention work. But, as I have said before, we are still not satisfied that possibly some improvements could not be made to it, and if that is possible, particularly after we get our new building and have a better opportunity to do the work, we are certainly keeping it in mind.

Of course the thing that the hon. member for St. Andrew (Mr.Salsberg) said about the results of accidents, what effect they had on conditions already existing, is a very difficult situation. Mr. Justice Roach dealt with that and I would like to correct my hon. friend who spoke last on this question, who said we "had dealt with everything but accident prevention." I said, "That just about cleans up Mr. Justice Roach's report." The report is a report from a Commission and does not necessarily mean that everything that the Commission mentions is correct in every detail. After all, he was an individual, he did a very fine job, and I certainly appreciate his suggestions have meant much to this Board, but he could be wrong in some respects.

Here is one of the difficulties that we have

felt in regard to this recommendation; that it would create far more injustices than it would remedy If I had more time I would go a little more into detail on this, but having in mind the practices of the present Board, which give a greater degree of justice to a greater number of people, the practice being that where some minor accident or accidents aggravate a pre-existing condition, the Board orders payment for total disability during the period the workman is temporarily totally disabled or receiving medical treatment, and orders payment for all necessary medical expenses, and should there be some permanent disability resulting from the said aggravation, the Board pensions the injured workman at 50 per cent of the total disability.

We feel -- and we have given a lot of thought to this -- that if Mr. Justice Roach's recommendation in this respect were incorporated into law, it would mean that employers would be responsible for the total cost of total disability when such total disability was the result of a physical condition, and you do not have to think very hard to know what that would mean -- that in a time of surplus employment no man with such things as a minor case of diabetes, arthritis, osteomyelitis, heart condition, etc. would ever get a job.

Our object in administering this Act is to keep people employed and we want the greatest care taken to see that they are not injured and, if they are, we want to see that they get the best treatment and the best

methods of rehabilitation and go back to work, but we also have to use a measure of common sense to see that those men because their condition might disclose a bit of arthritis or a bit of diabetes would not be refused employment by an employer who might say: "We cannot take a chance on you. If you happen to hit your hand and aggravate that diabetic condition, I would be stuck for total disability." So I am sure the hon. member can see that possibly we have dealt with that even better than the Hon. Mr. Justice Roach suggested.

In regard to heart conditions, I do not think that we can at this moment accept the responsibility for all coronaries that take place within the province if the man happens to be working. There are a great many people of whom it could be said that, although they had a coronary because they were at work would probably have had it had they not been at work, but we do accept it in the case of fire fighters because we realize the nature of their work and we do pay for fire fighters.

The hon. member for St. Andrew (Mr.Salsberg) was very insistent that we accept everything that Mr. Justice Roach said. In regard to the 100 per cent, of course, Mr. Justice Roach said that the percentage of compensation was most satisfactory and recommended no change.

MR. SALSBERG: I differ.

MR. DALEY: I would have presumed you would have

accepted that.

MR. SALSBERG: No, I differ with the Justice there.

MR. DALEY: Well, that is certainly your privilege.

On increasing the payments to those injured in a period when the wages were very low, I am just as sympathetic as you are, and Mr. Justice Roach has said in his report that it should in no way be the responsibility of industry, but should be taken from the Consolidated Revenue Fund. I said the other day -- I thought I made it very clear -- that that was Government policy and in assisting to administer the Workmen's Compensation Board I am sympathetic to that and I would like to see something done for those people.

I think that about sums up my debate in connection with this Act. I still say I think we have a wonderful Act. I think this Government since 1943 has done a tremendous job in improving its most important piece of legislation and I am sure that the working people, the people it protects, are grateful for it.

I presume, Mr. Speaker, from time to time we will improve it as conditions and the desirability of doing so present themselves to us. I would just like to say that at Malton, which we have spoken of a great many times here -- in my opinion an out-

standing place -- that I would appreciate it if the hon. members would be interested in accepting an invitation any morning to go out there, and I would be glad to arrange transportation to take the hon. members out. We could leave here at eleven o'clock, and have lunch out there and see the place, and return in time for the afternoon session. If you would get in touch with me so I will know if of you are anxious to do that I would be glad to make those arrangements.

Mr. Speaker, I move second reading of Bill No. 80.

Motion agreed to: second reading of the Bill.

HEALTH OF LIVESTOCK

HON. D. PORTER (Attorney-General): Order No. 60.

CLERK OF THE HOUSE: 60th Order, second reading Bill No. 99, an Act respecting the Health of Livestock.

HON. T. L. KENNEDY (Minister of Agriculture): Mr. Speaker, in presenting this Act I should like to give a very short explanation. It is the first Act we have had of this type in the Province of Ontario. It gives us power to examine animals and if they are not healthy not to allow them to go from one place in the Province to another. This also applies to dressed meat. The Act is designed in view of the tremendous increase in community sales which have sprung up in this Province in the last few years and also gives us power to regulate meat that may be diseased once it gets into the Province of

Ontario.

Mr. Speaker, I ask that this Bill be sent down to the Agricultural Committee and be reported back to the House. I move second reading of the Bill.

Motion agreed to: second reading of the Bill.

HON. D. PORTER (Attorney General): Mr. Speaker, I move the adjournment of the House.

HON. F. R. OLIVER (Leader of the Opposition): Would my hon. friend indicate what will come up on Monday?

MR. PORTER: I might remind the hon. member (Mr. Oliver) that the hon. Prime Minister (Mr. Frost), mentioned yesterday afternoon in a general way what would be taken up on Monday, and I have really nothing to add to that as I have no further information.

What he said was that he would proceed with some of the Government orders. I assume that those will be second readings. I see we have a number of second readings to be dealt with. He also stated that we would be dealing with the Estimates relating to the Provincial Secretary (Mr. Welsh) and also the Supplementary Estimates mentioned in the Budget. He said he thought it desirable to proceed in that way, and that he would be very happy to co-operate with the hon. Leader of the Opposition (Mr. Oliver) in connection with the Estimates, and will give notice of what Estimates will be taken up, so that he will have the fullest opportunity of knowing the order of business, and so on. That is the programme as far

as I know.

MR. OLIVER: I will just say to the hon. Attorney General (Mr. Porter) that I think he will appreciate the point, that it would be preferable and more to the convenience of hon. members of the House if we knew precisely what second readings were going to be called.

MR. PORTER: I can go this far, and say that I expect second reading of Bill 55, that is Order 31, an Act to amend the Agricultural College Act; Order 35, second reading of Bill 70, an Act to amend the Power Commission Act; Order 51, second reading of an Act to amend the Public Service Act. I am sure that those will be proceeded with, because it was intended to go on with those if we had had time today. That will take a substantial part of the time.

Motion agreed to.

The House adjourned at 3.22 of the clock, p.m.

First Session

of the

Twenty-Fourth Legislature

of the

Province of Ontario

0

Toronto, Ontario, February 21, 1952, et seq.

0

Volume XXIII

Monday, March 24, 1952.

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HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Chief Hansard Reporter
Parliament Buildings
Toronto

T W E N T Y - T H I R D D A Y

P R O C E E D I N G S

of the

FIRST SESSION OF THE TWENTY-FOURTH LEGISLATURE, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, ON THURSDAY, FEBRUARY 21st, 1952, et seq.

Hon. (Rev.) M. C. Davies, Speaker,
Presiding.

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Toronto, Ontario,
Monday, March 24, 1952.

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The House having met. 3 o'clock p.m.

Prayers.

Mr. Downer in the Chair.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. T. L. PATRICK (Middlesex North): Mr. Speaker, I beg to present the first report of the Standing Committee on Agriculture and Colonization,

and move its adoption.

THE CLERK-ASSISTANT: Mr. Patrick from the Committee on Agriculture and Colonization begs leave to present the Committee's first report as follows.

Your Committee begs to report the following Bill without amendment.

Bill No.99, An Act Respecting the Health of Livestock.

All of which is respectfully submitted.

(Sgd.) T. L. Patrick,

Chairman.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of Bills.

HON. GEO. H. CHALLIES (Minister without Portfolio) moves first reading of Bill intituled, "An Act to Amend the Rural Telephone Systems Act, 1951."

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, the Commission has been investigating the possibility of increased use of its rural distribution lines for carrying telephone circuits. It has been decided that joint use of Hydro lines should be encouraged as a means of preventing and eliminating duplication of pole lines by local systems.

Naturally, careful consideration will be given to all factors involved in joint use with Hydro on power line poles and only where power and telephone circuits can be co-ordinated satisfactorily will joint use be permitted.

It is estimated that from 85% to 90% of the poles of rural independent telephone systems carry only one circuit of two wires. Under such circumstances joint use of hydro poles can be of tremendous assistance.

This Bill provides that the Commission may enter into contracts with these independent companies for the joint use of poles at a materially reduced rate. The rate for a single circuit of two wires was 50 cents per pole. It is now reduced to 10 cents. Where there are hook-in attachments, it was formerly one dollar; it is now fifteen cents.

MR. FARQUHAR OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the hon. Minister (Mr. Challies) if up to the present the Commission has issued any prohibitions?

MR. CHALLIES: No.

MR. OLIVER: Have they been used in some instances?

MR. CHALLIES: To some extent, but not very much. However, owing to the development of hydro in

the last two years, it has been thought desirable to encourage the rural people to use these lines, rather than have two lines along the same road.

HON. GEO. H. CHALLIES (Minister without Portfolio) moves first reading of Bill intituled, "An Act to Amend the Power Commission Act."

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this Bill is complementary to the Bill introduced by the Hon. Minister of Municipal Affairs (Mr. Dunbar) and provides for granting to the municipalities annual payments in lieu of taxes for services rendered.

HON. McKINNON PHILLIPS (Minister of Health) moves first reading of Bill intituled, "An Act to Amend the Medical Act".

Motion agreed to; first reading of the Bill.

MR. F. OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the Hon. Minister (Mr. Phillips) to explain.

MR. PHILLIPS: Mr. Speaker, Ontario is fast becoming a place where there are being given post-graduate studies to students, not only from Canada, but also from the United States and, in fact, from all over the world. We feel we should encourage this. This amend-

ment simply grants to post-graduate students the right to practise medicine within the hospital where they are taking their post-graduate work, with the same privileges of those practising outside the hospital. That is, it will give them the right to sign birth certificates, death certificates, and prescribe narcotics where necessary.

HON. L. M. FROST (Prime Minister) moves first reading of Bill intituled, "An Act to Amend the Succession Duties Act".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this Bill provides for an exemption to educational organizations carrying on work across Canada. At the present time, it is limited to Ontario. It also increases the amount which an insurance company may pay on policies without the consent of the Treasurer. This is limited at the present time to $1800. It is now intended to approve the payments under pension plans which, I believe, amounts to $1200 at the present time.

HON. L. M. FROST (Prime Minister): moves first reading of Bill intituled, "An Act to Amend the Devolution of Estates Act".

Motion agreed to; first reading of the Bill.

He said; Mr. Speaker, this is just a routine matter which may be discussed on second reading. It removes from the Devolution of Estates Act provisions which were repealed from the Registry Act and the Land Titles Act some years ago, and which are no longer required.

HON. L. M. FROST (Prime Minister) moves first reading of Bill intituled, "An Act to Amend the Securities Transfer Tax Act".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this Bill is routine. It does not increase any taxes, nor extend them. It clarifies the classes of transactions to which the tax applies. It merely enacts into the Statutes the practices of the Securities Tax Branch for some time past.

HON. L. M. FROST (Prime Minister) moves first reading of Bill intituled, "An Act to Amend the Law Stamps Act".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this is also routine. There are some cases, I am glad to say, where corporations, in particular, pay us as high as five hundred

dollars, and more, for law stamps, and this amendment provides that instead of adding a stamp to each documents as it is filed, the certificate of the Treasurer may be attached, which relieves taxpayers of that particular duty. We like to make payments of taxes easy and pleasant.

HON. L. M. FROST (Prime Minister) moves first reading of Bill intituled, "An Act to Amend the Corporations Tax Act."

Motion agred to; first reading of the Bill.

He said: Mr. Speaker, this Bill is one of considerable importance to which I referred in the Budget Address on Thursday last.

This Act brings into the Ontario Act the provision for depreciation in connection with corporations, as applies in the Federal Act, for the purpose of simplification, and it means the assessing work will be very much easier.

The second point refers to the matter of allocation of profits. As the hon. members may know, the Province does not tax a corporation on all the profits made by the company, but an allocation is made of such profits as arise in Ontario, a different

method being adopted in connection with profits arising elsewhere. Generally, they are exempt. The purpose of this is to make certain the new provisions will apply under the new Federal Act which will impose a five percent tax, which was previously imposed by the agreeing provinces, and it makes sure that profits arising from outside of Ontario are not taxed by us. If it were not for the allocation, our taxing field would be very, very much broader, and would involve a great part of the corporation tax in Canada. Our tax applies only to those profits which arise from business done within the Province of Ontario.

MR. SPEAKER: Orders of the day.

HON. DANA PORTER (Attorney-General): Mr. Speaker, before the Orders of the Day, there is a matter upon which I think the hon. members of the House will agree some comment should be made.

I am sure every hon. member of this House has heard with profound regret the news of the death of Sgt. of Detectives Edmund Tong, of the Toronto Police.

"Tong was born in Leeds, Yorkshire, 47 years ago, and came to Canada in 1926. He joined the Toronto police force on September 16, 1929, and was assigned to uniform duty at Claremont St. Station. But his excellent police work rapidly drew him to the attention of senior officers, and in 1933 he was transferred to the detective office at headquarters.

From that time on, his career really started. His cases and arrests read like a rogue's gallery, with almost every prominent criminal listed."

(Take "B" Follows)

Murders, holdups, shootings, big robberies, Tong got them all. He cultivated underworld contacts and was known by criminals everywhere. Oddly enough, though many criminals feared and hated him, others admired and respected him.

For Eddie Tong was fair. He never lost his head or used bad judgment. He was kind and considerate to those who deserved it. He was hard and tough with others -- those who usually ended up in Kingston Penitentiary.

To his brother officers there was no one quite like affable Eddie Tong.

In his career, first as a partner to his lifelong friend, Insp. John Nimmo, and later to Sgt. Perry, he worked on every major crime in the Toronto area. Bank bandits were his specialty and in the past few years he helped crack two organizations, the Polka Dot Gang and the Numbers Gang. On the trail of another bank suspect, William (Skippy) Miller, last September, he caught his man after a 7,000-mile sleuthing job through the underworlds of New York, Buffalo, Winnipeg, Chicago and Minneapolis.

His death was the finish of a celebrated career. The final chapter began last March 6 when Tong and Perry were assigned to crack yet another bank hold-up, this one at the Bank of Montreal branch at College and Manning Avenue, in which $24,000. was taken.

He and Perry stopped a car about which they were suspicious at the corner of Lansdowne Avenue and College Street. Tong stepped from the police car and was shot down. Before he lapsed into unconsciousness he told a witness that he thought he recognized the gunmen.

While he lay in critical condition in hospital, a manhunt swung into action. The next day, March 7, Suchan was shot and captured in a Montreal apartment. Jackson was shot and caught in a gun

battle in Montreal four days later. Then, last Saturday, the alleged mastermind of the bank holdups, Edwin Boyd, was caught in Toronto.

Tong had been mortally wounded by a .45 calibre bullet that ripped through both lungs. But during the ensuing days, hopes were held for his recovery. Although it was never actually admitted, doctors doubted that even if he had lived he would have been able to walk.

Tong suffered a relapse on Saturday night and the crisis was reached at 12:21 a.m. on Sunday. In two minutes he was dead as a blood clot reached his heart. Mrs. Tong was not at his bedside."

And so ended the life of a gallant officer. His life and his death represent the courage and the hazards and the personal qualities that are the foundation of the great force of Police upon whom we depend for protection and enforcement of the law.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House, the following:

"The twentieth annual report of the Department of Public Welfare for the fiscal year 1950-51."

MR. W. MURDOCH (Essex South): Mr. Speaker, before the Orders of the Day, I wish to bring a matter of urgent importance to the attention of this House. We have read in the newspapers of the severe damage being caused by the present high water in Lake Ontario and in Lake Erie. Hundreds of miles of shoreline

have been affected, causing untold damage and severe hardship. I am not going to refer to any of those conditions except those which affect my own particular riding of Essex South. During the weekend, a severe gale caused the highest level of Lake Erie in history, and at Point Pelee, eleven hundred acres of fine onion land, including the homes of some fifty-eight families, have been entirely inundated. The water of Lake Erie poured in over a municipal road which acts also as a protective dike and all this water will now have to be pumped out and bridges and roads repaired. On Saturday and Sunday, every available truck was pressed into service and gravel hauled to stop the water. This quick action on the part of the township council averted a situation which could have been much more serious. Hundreds of cottages and permanent homes in Essex County have been either partially or totally destroyed. I have photographs here, which were taken yesterday, and which, no doubt, will be published in the Windsor Daily Star giving an indication of what has taken place.

Now, Mr. Speaker, I do not know what can be done but I believe it is my duty to report this serious situation to the hon. members of the Legislature.

MR. A. J. CHILD (Wentworth): Mr. Speaker,

I would like to add a word or two to what the hon. member for Essex South (Mr. Murdoch) has said regarding lakeshore erosion.

The shore in my riding is largely built with permanent homes. We have a number of small cottages as well as a large shoreline of fruit land. In some cases, over the weekend, during the recent storm, farmers lost as much as fifteen feet of their fruit orchards. However, the serious damage was done to our permanent homes. At one beach, Crescent Beach, we had to vacate a number of our families, it became so serious. It was necessary for us to call out the Army and the Red Cross for assistance, and thanks to these Organizations and to the efforts of the deputy-reeve of the township, Mrs. Kineer, a disaster was averted. Fortunately, due to the quick thinking of these Organizations and Mrs. Kineer, we did not have the loss of any life. There was one emergency case of a baby we had to rush to hospital.

Mr. Speaker, I do not know the answer to lakeshore erosion, but I do know that these people need help and they need it now. The hopes of these people rest on our shoulders here in Toronto to impress on Ottawa the necessity of assuming responsibility for this situation. If there is anything that we can do

here to expedite the matter, I know we will, to relieve these people to some extent.

MR. J. B. SALSBERG (St.Andrew): Mr. Speaker, in view of the seriousness of the situation, I was going to ask whether the Government would not think it urgent enough to arrange for an emergency meeting with the Ottawa authorities, to take up the matter of immediately helping the people who suffered and also some long-range action to prevent this happening in the future?

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, the answers to these questions, of course, are not simple. I have been concerned in the last few weeks, as have all hon. members of this House, with the lakeshore situation, particularly as it affects Lake Ontario and Lake Erie. Perhaps in answering the questions, I might just give a little outline of the problem.

First of all, it must be remembered the lakeshore erosion problem is one that has been with us for generations. The lakeshore situation varies from time to time. There are hon.members in this House who will recall a few years ago, I think back to about 1935, 1936 and 1937, when there was some fear that the lakes were actually receding. There was some

talk at that time about the water which was taken by the Chicago Drainage Canal lowering the level of the lake. In some cases, it was seriously advanced in an article in one of the papers, some fourteen or fifteen years ago. It was argued that the shores of the lake were gradually being tilted up by the bending of the earth's crust and that was causing a lowering of the water and a raising of the shore levels. We know now that is quite incorrect, but, nevertheless, if you go back to about 1904 or 1905, there was one of these cycles and the level of the St. Lawrence River was so low that in order to continue navigation, the Federal Government had to take steps in order to keep the stream open, and to divert the water, so it would keep the water high for navigation purposes.

Hon. members will have noticed in the Press that some of the American interests claim that is the cause of the flooding on Lake Ontario. Whether it is or not, I am not qualified to say, but I cite that to point out the fact we have cycles of high water and cycles of low water and it may be that at the moment, we are at the peak of one of these cyles. Perhaps in half a dozen years we may have questions asked here about the low levels of these same lakes. We have had that difficulty before.

The hon.member for Essex South, (Mr. Murdoch) will recall that in the St. Clair River, at times, it has been necessary to tie up shipping in order to wait until there is sufficient water accumulated to allow the ships to pass through in the channels. Of course, there is nothing of that sort now; The reverse is the situation.

First of all, these are international waters, they are boundary waters, controlled by the International Joint Waterways Commission, jointly appointed by Canada and the United States. As far as the province is concerned, when erosion takes place on our shores, we have no control of the water levels. It is very questionable and debatable as to what control we have at all over the condition. However, we will be glad if we can effectively find a way of dealing with the situation. If we could do so, we would.

Mr. Speaker, I will give you some figures that perhaps will enlighten hon. members as regards the lake levels. One of the great problems in the erosion problem or the erosion situation is to put in works along the lakefront that have no bearing at all, if the water goes up a foot or so. In other words, if we were able to control the water levels, and knew the variation would be perhaps six inches or a

foot, all right, but we have here water levels which rise, in some cases, three and four feet. For reasons which are very largely unexplainable,except by reason of the fact there is a cycle of high water, you can quite readily see if protective works are installed on the shores, and then there is a great rise in the water of the lake, these protective works are just washed away and become of very little value. That can be seen at Toronto Island at the present time where protective works have been installed and where permanent sidewalks and things of that sort are simply destroyed and washed away, and the money that has been invested in them is lost. I do not doubt that the hon. member for Wentworth (Mr. Child) has himself seen works that were supposed to go on forever disappear because of the high water. This shows you the difficulty of doing anything, much as we would like to help.

That, I think, is the first-line problem which has to be faced, the problem of making arrangements for the control of water levels which will permit permanent protective works. It is not so long ago that we entered into a transaction in connection with a highway in Kent County,and I have been waiting to hear that these works have been washed away. I suppose they are still there -- I hope they are -- and everything is all

right but between the Federal Government, the municipalities and ourselves, a great deal of money was invested, and I hope the work is not washed away. If it has disappeared, it is another example of the difficulty of the province in dealing in any way with the problem. It is something like King Canute who sat on the shores and ordered the waves back. There is not much we can do.

I will refer to the head of the lakes, and give you one or two examples of what is taking place. A few years ago the low levels in lakes were attributable to the Chicago Drainage Canal, which at that time was taking about sixty-five or seventy-five cubic feet a second and diverting the water into the Mississippi System. Here a few years ago, it would be in the late 1930's, arrangements were made to divert a portion of two rivers in northern Ontario into Lake Superior. They were the Ogoki and Long Lac emptying into Lake Superior. Now the amount of the diversion amounts to four thousand cubic feet a second into Lake Superior. We have not had any complaints to date about the level of that lake. Probably some hon. member opposite from the head of the lakes will now say that the water levels in Lake Superior are very high, but, in any event, insofar as I am aware, I have heard of no complaint in connection with Lake Superior levels.

When we get down to the Huron level, the Michigan level, in other words, the Chicago Drainage Canal, is on the same level as the waters at Windsor. Roughly speaking, except for some slight fall in the St. Clair River, they are generally the same. The Chicago Drainage Canal is now taking about thirty-four hundred cubic feet a second and at the present time, the Ogoki and Long Lac diversions of the lake are putting in three thousand, four hundred and seventy-two cubic feet a second so one really cancels the other. That is the way it has been working out for the past ten years. I do not think the diversion in Lake Superior makes any difference to the water levels on the Lake Huron-Michigan level, because of the fact there is a diversion of an equivalent amount from the Chicago Drainage Canal. Coming down to Lake Erie, we find this; we have there a lake which is in the state of nature as far as the flowage of the water is concerned. I do not think there are any works that impede the flow of that lake. On the Niagara River, there are some things which stimulate the flow. First of all, there is the DeCew diversion; particularly at this time of year, the use of the Welland Canal for the purposes of diverting water down to DeCew Falls is developed by the Hydro-Electric Power Commission. That is an

entirely new diversion and if Lake Erie were lower, of course, that diversion would be blamed for the fact that the lake was low. As it happens, Lake Erie is higher than that diversion. I do not think there is an obstruction in the Niagara River which prevents the flow of the water as freely as it did when Columbus discovered America but in addition to that, there is the power canal which was built in the 1920's, which is taking out twenty thousand cubic feet a second. We are now digging another hole away undergroundwhich will take off more, so I think we can say in 1952, there is a freer flow of water from Lake Erie than there has ever been.

When we get to Lake Ontario, it is a different story. When you get down there, you have a freer flow of water from Lake Erie into Lake Ontario, and the waters are high again in Lake Ontario. It is our belief that the St. Lawrence Waterway will very much assist that, for the reason that the St. Lawrence River presently comes down a rather treacherous channel in some cases. In the St. Lawrence, there are rocks and reefs which change the current of the river and prevent the free flow and there is in that river, a diversion which the Federal Government placed there in 1904. The St. Lawrence Waterway should correct that situation

because quite a considerable part of the expense involved is in connection with clearing out the river channel, so there will be a freer flow.

In the vicinity of Prescott or Cornwall, a big dam will be located and one would imagine -- I say that as a layman -- that the level of the lake will be somewhat lower than it is at the present time. It should be possible with the St. Lawrence Waterway, to more effectively control levels of Lake Ontario.

In connection with the lake, I have some figures here. In 1952, the lake level is 248.19 feet. The low level in 1934. that is when the lake was going to dry up, t least, editors and others were certain of that, it went down to 242.5 feet, that is about six and a half to seven feet difference. The average over the years that are recorded since 1870 amount to about 245.8, so it would appear that the lake at the present time, is about two and a half feet above the average. Of course, two and a half feet of water is a very considerable amount and a very considerable force. If the two and a half feet were removed, I imagine there would be no difficulty at the Island and very little erosion difficulty.

I would like to make reference to what the hon. member for Wentworth (Mr. Child) mentioned.

I might refer you to the Budget Speech of last Thursday when I said the problem of Great Lakes water levels and erosion on the Great Lakes has been a matter of grave concern to the Government. The province has no control of the Great Lakes water levels. That is an international problem concerning the Government of Canada and the United States. The erosion control should be properly the problem of these Governments and we are ever urging a joint conference between the representatives of the Governments of Canada and the United States, with our province and those interested municipalities, in order that a survey of the whole matter be made with steps to control the Great Lakes water levels to prevent damage that is taking place on our shores. We have been studying that problem for some time past. We have had a great deal of information, and many suggestions have been made relative to controlling the water levels. In giving consideration to this problem, we feel that perhaps the best method of studying the problem would be to refer it to a Committee of the House and let the hon. members themselves learn of the problems, hear the engineers and learn what is being done. By that method, it would give publicity to the matter. I think that publicity in bringing the problem to the fore will mean more will be done

to draw these parties together, whether it be the International Joint Waterways Commission or whatever it may be. With this situation in Lake Ontario, I think the problem is worse for the American people than it is for us for the reason that the prevailing wind for them is west and north-west and probably beats upoon their shores. Our problem comes about when we have an east wind as we had the other day, but fortunately east winds are not so prevalent here. We have only one occasionally.

I had in mind referring this problem first of all to the Committee on Commissions and the Hydro-Electric Power Commission will be making the explanation of its stewardship to this Committee in a few days. That may be a good place to have the matter aired in the first instance and if it appears necessary then, I should say a committee of nine or ten hon. members who can sit throughout the spring and summer and thoroughly go into all the angles of the problem. I think that would give the House and the public valuable information, and would enable us to urge such steps as are doomed proper, under all the circumstances, be taken.

We have on hand a good deal of information from our own engineers. We have the reports of the

hydraulic engineers who have studied the St. Lawrence Seaway problem. The great problem, of course, in referring a matter involving so many problems, to a few engineers is that the people never understand what is taking place, and they become dissatisfied and perhaps they feel their affairs are not being given consideration and attention.

(TAKE "C" FOLLOWS)

If we refer it to the Committee I have mentioned, that will provide all hon. members of the House and the public with all the information we have, and we can make sure we are on the right track.

MR. SALSBERG: What about financial assistance to those who now suffer.

MR. FROST: The hon. member is always free in spending somebody else's money. The problem is, strictly speaking, not an Ontario problem. You can have an expenditure of many millions of dollars -- and we may be justified in spending that in some circumstances -- but the matter will have to be carefully considered. In the Budget, as hon. members will remember, we set aside sixteen million dollars for conservation; that is, across the land area of the province of Ontario. Frankly, I would like to see that very much increased. While I want to protect our people from the effects of the lakeshore erosion, I do not want to assume a burden if I can avoid it, which belongs to somebody else. I think we should be spending these sums of money on something which properly belongs to our people. However, that does not preclude the possibility that after a joint conference, some type of joint action

may be found for protection along our waterfront, but I would like to sit in with the people whom I always felt had the responsibility in this matter, to see what could be done, first of all. I think that is the sensible thing to do. At the moment, I do not think we should commence some work without having the proper knowledge, and not having any control over the waters, and then perhaps have the work which may cost hundreds of thousands of dollars obliterated. That does not seem to be reasonable ot sensible.

I think the studies I have suggested would bring this matter to the fore.

MR. F. CLIVER (Leader of the Opposition): Mr. Speaker, I believe that the hon. members and the public generally appreciate the position of the Government generally in regard to this problem, and we will accept the Hon. Prime Minister's suggestion, that we actively concern ourselves with preparing our case, the case for the Province of Ontario, to be presented to whatever Board has authority in this respect. I agree with the Hon. Minister, Mr. Speaker, that the lakes and rivers are not within the control of the Province of Ontario. They are governed by nature,

I suppose, in the first instance, but physically by the authorities of the Dominion Government and the United States, through the International Joint Waterways Commission.

The point I want to make, Mr. Speaker, is that we can say in this Province it is not our concern financially, but, on the other hand, it is our property which is being damaged; it is our people who are being put out of their homes, and it is our land which is being washed away by the action of the waves from ghis lakeshore erosion, and we cannot sit idly by, as we face this tremendous problem.

I want to agree with the Hon. Prime Minister, that, in my judgment, the thing for us to do in this Province is to prepare our case in the very best way we can, and then having prepared our case, present it to those in authority. I, for one, believe if we show we are in earnest, and we can convince them of the great damage which has been done, and which is likely to be done in the future, that we will receive a hearing, and will be able to work out from that a solution, financial and otherwise to this very vexatious problem.

MR. SPEAKER: Orders of the Day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the Chair, and the House resolve itself into a Committee of Supply.

Motion agreed to; the House in Committee of Supply; Mr. Downer in the Chair.

(Page C-5 follows)

HON. A. WELSH (Provincial Secretary): Mr. Chairman, in introducing the Estimates for the Department of the Provincial Secretary, may I say that I appreciate having this opportunity of speaking, and I would crave your indulgence for a time, in order to make a report of the progress of civil defence in Ontario.

I may say that we are fortunate to-day in having with us Major-General Worthington, the Co-ordinator of Civil Defence for the Dominion, and we are very glad, indeed, to have him with us to-day. I regret that the international situation has not cleared appreciably, and the necessity of preparing our people to meet an atomic air attack is not the happiest of tasks, but, nevertheless, a very necessary one. This nation to-day is in grave danger, and an effective program of civil defence organization and education is a necessity.

The civil defence organization which may be established for the province of Ontario, or, indeed, in Canada, may function just as effectively as a disaster organization, as it would in the event of a national emergency. In war, the armed forces

cannot win without industrial production, and production cannot be assured without civilian defence, as our industrial centres are the target of attack, and if such an attack comes, vast numbers of casualties and disruption of production are inevitable.

If the public of this Province is informed, organized and trained, this Province can cope with disaster, and our production can be maintained. On the other hand, an uninformed, untrained, and unorganized population would be so stunned by an attack, that chaos would be inevitable, and production would come to an end, and it might be that even our will to fight would be destroyed.

Civil defence is not a military matter, but a civic responsibility. The primary job of the armed forces is to meet and defeat the enemy on sea, land, and in the air, and in spite of all we can expect of them, undoubtedly some enemy aircraft will penetrate out defences, and bombs do not discriminate between soldiers and civilians. In that event, a civil defence agency must be prepared to take over, to minimize casualties and restore production. This is a job for all our people, and how well we function may well decide

whether we survive or not, as a nation.

Mr. Chairman, I would like to take a few moments to give the hon. members of this House the genesis of what has been jointly done, to date.

We have done in Canada, and particularly in Ontario, what we could to meet this problem, and I would like to give the hon. members of this House the outline of the plan on which both the provinces and the Federal Government are proceeding.

At a joint meeting in Ottawa the unanimous decision was made that civil defence organization and training was primarily a matter for the municipalities, with the Provinces and Federal Governments co-ordinating and assisting, and that the initial responsibility for organization and training fell on the elected representatives of the municipality. I am firmly convinced that success can only be achieved if every one of us joins with his neighbours in the old pioneering spirit to work for a common object for the general good, in this case to save not only our own lives and homes, but also those of our neighbours.

Unfortunately we have in Ontario the majority of the potential targets in Canada. These target areas require a different type of organization from the smaller

towns and from rural centres, as their role would be in the welfare field, and in providing mutual aid.

Much of the organization work has been completed, and we are now embarking on the second or training phase. As each area completes its basic organization, training schools are established and key personnel trained. I would like to emphasize that in the opinion of the Government, Civil Defence must be a grass roots organization, a voluntary banding together of men and women, of good citizens, to work together for a communal goal.

Such organizations have been established in all 29 cities of Ontario, in 101 towns, and 22 villages, their basis organization completed, and now embarked on training programmes.

We assist their work by providing them with training aides, manuals, instructors, the necessary standard syllabi, films, technical instruction in A.B.C. warfare and assist them in setting up the necessary training schools. In the Civil Defence Branch we have six highly qualified people only, who are enthusiastic and energetic and interested in the problems of the municipalities. Within the last few months these men -- and there are actually only four

of these available for use in the field -- have assisted 78 cities and towns in establishing the necessary schools; 480,000 copies of one manual alone have been distributed; 35,000 copies of another at the Exhibition where 200,000 people viewed the display which was built, staffed and operated by our staff. During January and February our training films were used in 42 civil defence courses.

Concentration on the training of a nucleus of key personnel is vital, a nucleus that will be capable of expansion rapidly in the event of an emergency. I may say, Mr. Chairman, that the display which was shown at the Exhibition, was entirely prepared by my own staff, and manned by them. I think this is the first one of its kind ever shown in the world.

One example is the steps taken by the Hydro-Electric Power Commission, which now has 150 trained instructors available, and our school at the Old Christie Street Hospital is being used by classes of 50 for each course. Training material is secured through the Federal Government, and distributed by the Province for training purposes. For example, ten thousand respirators, 300 pumps, 12,500 steel helmets, and other material has been made available or distributed

for training to the municipalities.

I would like here to pay tribute to those two splendid organizations, the Red Cross and the St. Johns' Ambulance, who are training all civil defence workers in basic first aid. Those who are being trained are from our own Government service in the Province of Ontario, which includes the Provincial Police, the employees of the Department of Lands and Forests, and the employees of the Department of Highways.

I may say that I attended recently a conference at Ottawa with the Hon. Mr. Martin, the Minister of Health and Welfare in the Federal Government, and I suggested this training should be extended to every defence worker in Canada, and that the Federal Government should give the grant to these organizations for training the people, in excess of their normal requirements. I am very glad to say that they agreed to that, and I think it should be a matter of very great pride to the Federal Government that they were willing to co-operate with the Province, in trying to do their job, and with the organizations which are doing such a splendid job for the people of the Dominion of Canada.

Another activity of major importance is the refresher courses now being run across Ontario for graduate nurses, both active and retired, in A.B.C. warfare. By the end of the year 10,000 nurses will have taken this course; 28 of these courses are actually operating now by the Ontario Department of Health, the Federal authorities, and the Nurses Association. Our Department of health has provided one of their health nursing supervisors to undertake this programme. The Red Cross are expanding the home nursing to include various aspects of A.B.C. training.

Medical officers and other medical personnel have taken special courses in Canada and United States on this subject, and are now planning courses for first aid station personnel to staff them.

(Page C-12follows)

In overall health services we have provincially an advisory Committee composed of Department of Health, Ontario Medical Association, Ontario Hospital Association, the Ontario Red Cross, Registered Nurses Association, and the St. John's Ambulance. Pertinent information is compiled, health service manuals as a guide for municipalities and hospitals are distributed, standard hospitals kits are prepared and distributed. The stock piling of essential drugs is being done by the Federal Department of Health.

Now, Mr. Chairman, we have also made progress in the establishment of an effective warning system which will alert our civil defence force in all possible target areas. We have the advantage of distance which must be covered by enemy aircraft before vital target areas are reached. In cooperating with the RCAF Ground Observer Corps, we will have warning of approaching aircraft, and the alert will be sent to all target areas by a special telephone warning system which is presently being installed. This system will link our Provincial Civil Defence Headquarters with our civil defence organizations in the various target areas.

This headquarters will have radio and special telephone communication with the RCAF filter stations which will be located strategically along a belt across the Northern section of Ontario. Assisting the RCAF in spotting aircraft will be employees of the Department of Lands and Forests, the HEPC and the Ontario Northland Railway.. These employees will be specially trained in

spotting aircraft and will flash by radio to RCAF filter stations enemy aircraft. Enemy aircraft picked up by radar will also be flashed to the Provincial Civil Defence Headquarters.

I might say, Mr. Chairman, that the radio and aircraft facilities of the Department of Lands and Forests have been placed at the disposal of the Civil Defence Force. These facilities will not only be operating in the warning system, but cooperating with the Department in plans for relief of an area which may be bombed. Emergency supplies, particularly drugs and medicines, can be moved quickly to a stricken area by the aircraft of the Department which will be in radio communication with our Provincial Headquarters.

(Take "D" Follows)

Another important aspect of any civil defence set-up is the fire fighting forces and facilities. I need not stress this to the House, as I am sure all are aware of the potential damage and casualties that would result from an atomic bomb, fire, blast, fragmentation over wide areas. This problem was appreciated as early as 1949, when the Fire Departments Act was amended to provide increased grants to municipalities for the provision of equipment. $5,000,000. has been paid since then, and an increase of 30% in fire equipment has resulted. In three years 156 new pumpers have been added, 63 in entirely new areas, 54 pieces of obsolete equipment replaced.

Now, Mr. Chairman, in addition to this program, we have also done something about another problem which has plagued our fire fighting system throughout the Province for a great many years, and that is the problem of standardizing equipment, particularly hose connections and couplings, so that one municipality may interchange its equipment with another should a disaster take place.

This Government regarded this problem as one requiring urgent solution and vital to our Civil Defence. Some 18 months ago we approached the Federal Authorities with a plan to do something about it, and after a great deal of negotiation, an arrangement which would benefit all Provinces was developed.

Under this arrangement the Federal Government agreed to pay one third of the cost and the Province two-thirds.

When the detail was worked out, we were the first Province in Canada to make an agreement of this kind with Ottawa, and I am happy to report to hon. members that our standardization program is now underway.

The estimated total cost of this program is $900,000 with as I mentioned before, the Federal Government paying one-third and the Ontario Government two-thirds. The contract to supply the necessary equipment has been signed and conversion will begin in the field by next month.

We are indeed grateful to the Department of National Defence for making available several mobile workshops without cost to Ontario to assist in this work.

The program will include not only standardization of equipment owned by the municipalities but also the equipment presently in use by industry.

There will be no cost to the local municipalities or to industry other than having their employees assist the provincial teams. These conversion field teams will be under the direction of the Ontario Fire Marshal's Office. They will start in municipalities in York and Peel Counties, and then at Windsor, moving eastward until all of Southern Ontario is standardized. These teams will then move in Northern Ontario to complete the conversion for the Whole Province. It is expected the whole program will be completed by the end of next year.

Conversion will take place in 362 municipalities

or approximately 70 percent of the hose and hydrant facilities in the Province. All cities will be effected except Toronto and its suburbs, and Peterborough which are now on standard. Some 48 smaller communities are also on standard.

When completed the program will make possible effective mutual aid and cooperation between municipal fire departments in all parts of the Province. As hon. members will realize, this will greatly strengthen our civil defence organization and I might add that with standardization the normal operating costs to municipal fire departments will be materially reduced.

And now, Mr. Chairman, I would like to take a few minutes to tell the hon. members what we are doing to prepare an effective fire fighting organization throughout the Province. This is a specialized job, requiring a great deal of specific information and knowledge of the techniques of fire fighting after an enemy air attack. For that reason this job is being done by the Ontario Fire Marshal's Office.

Standardized fire training programs have been carried out by the Fire Marshal's Office in Regional Fire Schools in practical fire fighting. These programs have been carried out in eight counties and will be extended to other counties in 1952. Specialized one-week training courses in the problems of atomic warfare and radiological defence have been carried on by the Fire Marshal's Office for fire department instructors

from all the major cities in the Province and for other municipal officials engaged in civil defence training.

Outside of the Canadian Army Courses conducted at Camp Borden and the Royal Military College, these radiological defence courses conducted by the Fire Marshal's Office are the only such courses at the level of practical field exercises which have been held anywhere in Canada to date. The Fire Marshal's Office has also provided cooperation with the Civil Defence Branch by providing instructors for fire fighting and atomic warfare subjects in provincially-conducted Civil Defence courses.

Officers from the Fire Services Division of the Ontario Fire Marshal's Office have taken specialized training in all phases of civil defence duties, particularly in various federally-sponsored courses at Ottawa, Camp Borden and Royal Military College, and also courses sponsored by the United States Government and the New York State Government.

In addition to the staff at Toronto Fire Marshal's Office headquarters, field officers from the Fire Services Division are now stationed in London, Welland, Guelph, Kingston, Lindsay, Cornwall and Timmins, and are working with the local fire chiefs in all areas throughout the province in fire training and civil defence organization programs.

Close liaison has been developed with New York and Michigan towards mutual aid among the fire departments

in the event of civil defence emergency. For example, in New York State, to ensure uniform training practices, there has been an exchange of personnel attending each other's training schools. To facilitate communications in an emergency, the Fire Marshal's Office has mobile radios on the same wave length as used by some of the U. S. fire departments, and this increases mutual aid.

All municipal fire chiefs throughout the province have kept abreast of the latest thinking in civil defence and fire civil defence through the distribution of all available Canadian and United States manuals. Substantial progress has been made towards training key fire department instructors across the province who in any sudden need would be able to rapidly expand all local training and the recruiting and training of fire auxiliaries.

Members of the Fire Marshal's Office staff have given lectures on basic emergency fire fighting at two general civil defence courses in Toronto, one in Hamilton and one in London, all conducted under the auspices of the Provincial Civil Defence Committee with the exception of the London course which was under the London City Committee.

Members of the Fire Marshal's Office staff have given lectures in "Atomic Warfare" at two civil defence courses in Toronto and one in Hamilton, also conducted under the Ontario Civil Defence Committee auspices.

Field officers, with their sound motion picture projectors and our lending library films, have shown various civil defence and atomic warfare films to audiences totalling an estimated 30,000 persons.

To meet the dual purposes of present-day hazards in fire departments from laboratory and commercial use of radioactive materials and the possible hazard of atomic warfare, the Fire Marshal's Office has completed seven Radioological Defence Courses, combining classroom teaching and outdoor field practices. At those seven courses there was a total attendance of 113, mostly from fire service personnel but including a few other municipal officials and four from the New York State Bureau of Fire, two from the City of Buffalo Fire Department and one from the City of Milwaukee Fire Department.

Short radiological defence courses for senior municipal personnel are scheduled in the immediate future for Toronto, Ottawa, Hamilton, London and Windsor, for which the dates will be settled as soon as a promised federal shipment of radioactive sources arrives here.

All fire chiefs from the largest city in each of the target and support counties in the province were brought in for a 3-day meeting at Toronto in April 1951. The broad principles were discussed for fire civil defence planning and organization in Ontario. The meeting was attended by 26 leading fire chiefs throughout the province.

MR. OLIVER: Mr. Chairman, would the hon. Minister (Mr. Welsh) say how many counties are organized now?

MR. WELSH: Yes, I can give that. The arrangement is almost completed in Southern Ontario, and a considerable number of the counties are completed or well underway. Practically all of Southern Ontario has been completed, and there are several districts in the northern part of the province which will be very much more difficult to organize because they have not the same number of fire units, and the distances are so great.

The chief of the largest city in each county would be responsible for making all mutual aid arrangements in his county between fire departments to help themselves and neighbouring counties. Under this county co-ordination program, fire chiefs have been appointed as District Deputy-Fire Marshals for the counties throughout Southern Ontario and three areas in Northern Ontario.

These appointments are now almost all complete for Southern Ontario, and in a considerable number of counties the mutual aid plans are either completed or well underway.

Regional Fire Schools giving a standardized fire training program have been barried out for eight counties at Chatham, Niagara Falls, Oakville, Owen Sound, Islington, Lindsay, Smith Falls and Cornwall, with a total attendance of 300. These schools are designed

primarily for fire department instructors, but there were some senior officers and some ordinary fire fighters.

Another important aspect of our civil defence program is the part being played by the Ontario Provincial Police. Since our earliest planning days, the Provincial Police have cooperated in the setting up of the necessary organization for control of our primary and secondary roads and highways which will become vital arteries for relief and evacuation of a bombed-out area.

The problem of road congestion which can occur after a city has been bombed is frightful. We know the experience of countries which came under enemy aerial attack during the two World Wars. We realize that the problem of keeping our primary and secondary roads free of traffic congestion is one of the greatest to be faced by any civil defence organization.

One of the first jobs to be done was that of preparing a detailed civil defence road map of Ontario showing roads which will be designated as primary and secondary. This was a tremendous undertaking and required months of surveys by the Provincial Police. Police Chiefs of all municipalities were contacted and requested to submit marked maps indicating their opinion of roads which should be designated as primary and secondary civil defence routes through their areas.

As this information came in from the local areas, the work of integrating the system throughout the whole

of the Province was undertaken by the Provincial Police. The final Provincial Civil Defence Road Map is now complete. Every Provincial Police District and Detachment will be issued with this map showing their responsibilities so there will be no delay or confusion putting the operation into effect. Arrangements have been made with local and township police for the roads which will be under their jurisdiction.

A staff officer of the Ontario Provincial Police, who has attended Civil Defence course in Ottawa, has travelled throughout the Province giving lectures to Provincial Police detachments on their duties in the event of enemy action and explaining the damage caused by the atom bomb. Some 52 of these lectures have been given during the past year and they have been attended by local municipal police.

The radio communications of the Provincial Police have been incorporated into the general civil defence organization and will serve as a vital link with the provincial civil defence headquarters, with that of Lands and Forests, Hydro, Fire Departments, Taxicabs, Hams etc.

I have here a copy of the detailed traffic control plan prepared by the Ontario Provincial Police which shows the traffic points, number of men and cars required and the sources from which these are to be obtained.

During the period that we have been engaged in civil defence organization a questionnaire has been sent

to all municipalities requesting them to make a survey of such resources as buildings which might be used as temporary hospitals, welfare centres, emergency feeding and clothing stations, as well as normal availabilities of drugs, food and clothing.

As more municipalities respond to this questionnaire we are able to build up a valuable catalogue of civil defence resources throughout the Province.

(Take "E" Follows)

MR. HOUCK: Mr. Chairman, before the Hon. Minister (Mr. Welsh) leaves that question, may I ask if he thinks there is the same interest shown by the municipalities toward the matter of civil defence that there was last year.

MR. WELSH: Yes, Mr. Chairman, I think there is. It has been a matter of education. We have been met with a tremendous amount of apathy from a large portion of the population of Ontario. It is a strange thing about the Anglo Saxon race, they never appreciate an emergency until it is right on their doorstep. We are so much inclined to speak about the British Empire losing all the battles except the last one. But, it could be that we would find ourselves in a position where we cannot afford to lose even the first battle. The sooner we get that idea "across" to the municipalities, and to the people of Ontario, the happier will be the position we are in.

I do think there is more interest being taken now than there was before.

We have seen a great deal in the Press lately about shelters. For the time being we are following the policy of thorough investigation before recommending

individual or communal shelter on a large scale. Certainly we know that the cost of building public shelters would be prohibitive even if the labour and materials were available. It has been estimated that it would cost three billion dollars to provide communal shelter for only one percent of the population in critical target areas of the United States. At the moment we are doubtful of the desirability of this type of shelter from a safety standpoint. We are inclined to encourage our municipal civil defence directors to make a study of buildings which are suitably constructed for shelters. We believe that every person should explore the premises in which they are presently situated and determine what parts are the best places to take up shelter on the basis of the information we have sent out, or is available on personal protection against blast, fire and radiations. By examining either their homes or buildings something can be done by everyone at once with very little cost.

There was a survey made in the United States not so long ago on this question, and it was estimated there, -- and I take it that the figures from the United States would probably be applicable to Ontario --

that it would cost us three billion dollars to provide communal shelters for one percent of the population in the target areas.

During the war I spent a great deal of time in a town on the outskirts of London, and Mr. Chairman, if I may be pardoned for speaking on a personal note for a moment, I will tell you my experiences with shelters, and they were not very pleasant. We did practically no training for two months. We were too busy at night fighting fires. I assure you I saw some harrowing sights. We dug people out of shelters, which were supposed to be bombproof, people who had been drowned by bursting waterpipes, people who had been asphyxiated by carbon monoxide gas, and people crushed by the building above them falling in.

This is a subject we want to look into very carefully, and I know that General Worthington will agree with me when I say that we could very easily make a frightful mistake, by spending all our revenue in building shelters which would not be of much use to us.

The first thing we must ask ourselves is

from what are we to protect the people? Is it against fire, is it against direct hits, is it against gas, is it against radio-active material? If it is against gas, there must be some sort of air conditioning system installed. All of these things comprise different problems, and the solutions must be found. At the present time we have made no recommendations whatever in regard to shelters. I am very doubtful of the desirability of spending a great deal of money at this stage building the type of shelters which we have to-day. I would encourage our municipalities and the municipal civil defence directors, to make a study of the buildings which are suitably constructed for shelters, as I said before. Every person should explore the premises in which he lives and determine what part of those premises would be the best place to take shelter.

There has been a great deal of information on this subject sent out, and a great deal of information furnished in pamphlet form. I think by examining our homes and our business places, and other buildings, we can perhaps provide the maximum protection, in the

light of what we now know, without going to great expense in this matter.

Mr. Chairman, I have taken up too much time already, but there are one or two other things I would like to mention.

(Page E-6 follows)

We have had in existence for some time now a Provincial Civil Defence Committee composed of representatives from the Ontario Civil Defence Branch, the Ontario Department of Health, the Ontario Department of Lands and Forests, the Department of Highways and Agriculture, the Ontario Provincial Police and the Ontario Fire Marshal's Office. This committee is concerned with the over-all organization of the Civil Defence Force and is assisted and supplemented by special sub-committees and representatives of various public organizations who are being asked to participate in Civil Defence.

Mr. Chairman, I would like to again emphasize that after two years of hard work our civil defence organization in this Province has come a long way, considering that we had to start from scratch.

We have a great deal of work ahead of us before we can say that we have an adequate and effective civil defence force in readiness for possible enemy air attack. We can, however, say that we have established a program which can bring it about if we do not let up in our efforts.

In conclusion, Mr. Chairman, I would like to make some general remark on this problem. Preparedness does not invite aggression, but the lack of it might

lead to other nations risking a conflict.

The democratic nations cannot match our potential aggressors in man power, but we can out produce them in the necessary materials and have at present a superiority in industrial production and atomic weapons. How long these advantages will lie with us is problematical. Both sides are right now buying time to increase their advantages, by the seemingly endless negotiations in Korea, Iran, Egypt and elsehwere, but the crises will come eventually and result in armed conflict or if our strength is sufficient to deter aggression, permanent.

It is within the bounds of possibility that the determining factor may be the appreciation by the Soviet that this continent is so well prepared to meet attack that a knock-out blow on our industrial centres would fail. However, if the opposite viewpoint is accepted, we may well be subjected to an all out atomic attempt to destroy our industrial potential and morale.

I would like to point out, Mr. Chairman, that with the use of aircraft, the whole picture of warfare changed. Previously the civil populations were not subject to attack, wars were the concern of armed forces. All that is changed, the last war brought home the lesson that the civilians were as much a part of any war effort, and subject to most of the same hazards.

It also taught the lesson that all countries without civil defence organizations attacked by Germany were defeated in record time. Great Britain, with a civil defence organization, which expanded rapidly under stress, successfully withstood the greatest bombardment in history, and the morale of the people actually rose. Japan folded in a few days when subjected to atomic bombardment, although her armed forces were still undefeated. Obviously a well trained, civil defence organization is a necessity for survival. If the international situation deteriorates, no doubt Federal legislation will be forthcoming to integrate the municipal and provincial organizations, and in that event, all such organizations would go on an operational basis immediately.

It is the considered opinion of this government that an operational role at present is undesirable for several reasons, -- cost, apathy, and the necessity of sustained endeavour. Let us lay the ground work, train and educate our key personnel in fundamentals, build up our resources of fire, medical, welfare, police and engineering facilities, and when the time of emergency arrives, we have the necessary plans and people ready to expand the organization. That is all I think is necessary at present, as this may be a long term

programme. We are endeavouring, and I am sure the Federal Government is also doing all possible to prepare ourselves to meet such an emergency with confidence.

Basic training in this field might be compared to a parachute. "If you need it, and haven't got it, you will never need it again."

(TAKE "F" FOLLOWS)

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, may I say that during the Session of last year, like most hon. member, I was quite concerned about this matter of civil defence. I rather felt at that time and felt it keenly too, that not only the Provincial Government but the Federal Government was rather lax in that respect, that neither Government was doing too much nor taking any interest in regards to civil defence. However, at this time, I want to congratulate the hon. Provincial Secretary (Mr. Welsh) for the splendid report of progress he has made on this very important subject. I see, according to the estimates, there is only $50,000. granted, last year it was $25,000. but I presume it is just a token estimate, that more can be drawn if that is not enough. I am not so much worried about the money that is voted in the estimates for this very important subject, but I quite agree with the hon. Provincial Secretary (Mr. Welsh) that this is a matter that must be dealt with at the local level and must be voluntary organization in order to make it the success that we want it to be. I certainly think that the Provincial Government and the Federal Government must give leadership to the municipalities. As the hon. Provincial Secretary (Mr. Welsh) well knows, the municipalities are not financially able to pay their

own way in regard to this very important item.

I am very pleased in regard to the progress he has made on this question. We, in Niagara Falls, have sent one or two of our Council members down to the City of Ottawa for two or three weeks and they have come back and we have started to organize,as far as civil defence is concerned.

It rather puts me to shame when I realize what they are doing in New York State, especially in Niagara Falls, New York, in regard to civil defence. They are holding meetings every night in school houses in the outlying districts, meetings for school children every day, they have already marked their highways for evacuation and everybody is right up to the minute as far as anything taking place. I think we have a lesson to learn from them.

I want to pay tribute to the Red Cross and the St. John's Ambulance Corps. I think they are doing a splendid work and in case of disaster, they would be called upon and not found wanting. I am very pleased to vote this money for conversion and standardization of equipment in regard to the fire-fighting department. We, in Niagara Falls, have at times been called upon by Niagara Falls, New York, Fire Department, to help out and in turn, we have called upon them and because

our equipment is standardized, we can assist one another.

The hon. Minister of Labour (Mr. Daley) knows St. Catharines has had one or two serious fires and because our equipment was not standardized, we were unable to go there and at different times we have asked them to assist us and they could not.

In Niagara Falls, we are in a rather peculiar position, probably more so than anybody else in the province of Ontario. In case we had to evacuate our people, we would have only one way to go. We cannot go to the south or north because of the lakes on both sides. If, perchance, some of the bridges over the Hydro canal happened to be blown up, we would be stopped right there.

(TAKE "G" FOLLOWS)

Naturally we are vitally interested in seeing some real plan formulated for the people in the Niagara District in case we have to evacuate them at very short notice. I want therefore to plead with the hon. Provincial Secretary (Mr. Welsh) to keep up the good work he is doing jointly with Ottawa. For this splendid report, both levels of government deserve a pat on the back for the efforts they have put forth in the past few months, and I know this Government,acting with the Federal Government, will show leadership which is being demanded at the present time by our municipalities.

On Vote 142:

MR. J. B. SALSBERG (St. Andrew): Mr. Chairman, on Vote 142, Item 4, I have on previous occasions when we considered the Estimates,spoken about the cost of living bonus, and on every such occasion have urged the Government to agree to incorporating the cost of living bonus into the wage and salary structure of our civil servants. I was disappointed, as I am sure the civil servants were, at the failure of the Government to do that. This year, however, Mr. Chairman, I am more surprised than in the past, surprised that we still continue the practice which most sections of private industry have abandoned, where in most instances the cost of living bonus has been incorporated into the wage structure. The Civil Service of Ontario has made a strong point of that, and I was hopeful that this

year there would be a special provision in view of the sentiments expressed by the Hon. Prime Minister (Mr. Frost) on this question.

HON. L. M. FROST (Prime Minister): Of course, Mr. Chairman, our cost of living bonus is on a slightly different basis -- if I may so phrase it -- from other industries. We give automatic increases to our staff, Mr. Chairman. This year we are getting them through earlier than ever. We have twelve or fifteen thousand employees and it takes a long time to go through them, but we are giving our staff automatic increases,and they are going through at the present time by the thousands.

We did incorporate the cost of living bonus into salaries some four or five years ago; there was a cost of living bonus but we revamped the salaries of the whole service, included that, and then instituted a new method of giving salary increases one step, or whatever it may be, every year.

The cost of living bonus, sir, at the present time is $35 a month. That bonus is a true cost of living bonus. It is based upon salary increases which are automatic every year, and this amount is added to salaries every month and amounts to $400 a year at the present time.

There might be an argument for incorporating some of that in salary, but on the other hand it seems to me that under our system,where we have automatic increases every year it is a true cost of living

bonus and should be so regarded.

MR. SALSBERG: Mr. Chairman, I am sorry I cannot agree with the hon. Prime Minister (Mr. Frost).

MR. FROST (Prime Minister): Well, you never do agree with me.

MR. SALSBERG: I might say I smiled as the hon. Prime Minister rose; I think he rose at almost the same point a year ago when I raised the very same question, and gave the same explanation. Since that last remark of the hon. Prime Minister a year ago -- and that is why I said before I was surprised at the continuation of the policy -- the hon. Prime Minister was present at a meeting of representatives of the Civil Service Association and I have before me a section of the official publication of the Association for October, 1951. Of course, Mr. Chairman, that was shortly before the event in November. At that time this question was raised and I quote from page 8 of The Trillium for October as follows:

> "Cabinet also approved in principle the incorporation of the major portion of bonus into basic salaries. As a matter of recorded fact, the Prime Minister in his remarks at a joint advisory council last June indicated that he favoured increased salaries to meet rising living costs rather than bonuses --"

MR. FROST (Prime Minister): That is right, but we have given both since that time.

MR. SALSBERG:

> "-- and expressed the hope that within the year all bonuses would be incorporated in the salaries and future discrepancies taken care of by straight salary increases.

> "The machinery of finance being what it is in a corporate operation as large as Ontario's, it would be almost a physical impossibility to create such a tremendous change in a year. It has therefore been agreed by the Administration that when the end of the present fiscal year rolls around, basic salaries will be expanded across the board to take in all or the major portion of the then existing cost of living bonus."

That is the end of the quotation and obviously the impression was left that in preparing the budget for the coming fiscal year the cost of living bonuses would be incorporated, and I see by the Estimates that the cost of living bonus item is much larger than it was last year, so that obviously we are not dealing with one cost of living bonus only but with the major portion.

This is very important, I am sure, to the civil servants; it is not only a question of incorporating cost of living increases so as to make sure they become part of the general salary structure for the future, which is an important consideration, but what is also of immediate importance to the civil servants is this, that filure to incorporate the cost of living bonus deprives them of benefits which they otherwise would get. The amounts of , the various contributions to funds which the Civil Service would make, the retirement fund and so on, are smaller because of the failure to incorporate the cost of living bonus into the wage structure.

Industrial workers, unionized workers, have,

in the main, succeeded in abolishing this injustice and have had the bonus incorporated into the wage structure and they derive a benefit which the Civil Service is denied. It is all very nice to get on festive occasions and pay tribute to the Civil Serants for the fine work they are doing -- and I am sure we are all proud of the Civil Service of this Province -- but I think we can always express it best in giving them an adequate living wage and all the benefits they are entitled to, and thus set an example to private industry. But I do not think we are setting an example by continuing the policy of separating cost of living bonuses from the basic wage structure. I am amazed, especially in view of the impression the hon. Prime Minister (Mr. Frost) left with the Civil Service as officially recorded in their Journal. I do not know the editors of their publication but I imagine they quite deliberately, as they say, put on "As a matter of record" the opinion expressed by the hon. Prime Minister (Mr.Frost) at the time.

Mr. Chairman, this item will recur in the consideration of the Estimates of every branch of Government and I thought we might as well discuss it now and deal with it fully rather than deal with it piecemeal on each Estimate.

I want to ask the hon. Provincial Secretary (Mr. Welsh) whether he and the Government will not agree to implement what amounts to a pledge by the

hon. Prime Minister (Mr. Frost) to the Civil Servants that the cost of living bonus would be incorporated in the salary structure when the new year rolled around. Well, the new year is here and now is the time to carry out the pledge given the Civil Servants, a pledge which was given as a result of their continued pressure and demand.

Vote No. 142 agreed to.

On Vote No. 143:

MR. J. B. SALSBERG (St. Andrew): Mr. Chairman, since the hon. Provincial Secretary (Mr. Welsh) did not answer my question on the previous Vote, I want to say something about No. 143. In this Vote we deal with the Civil Service Commission, and I think this as good a place as any in the Estimates of the hon. Provincial Secretary to deal with another evil that exists in the Civil Service of the Province. I am referring now to the evil of casuals.

For years the Civil Service Association has been pressing this Government for the elimination of a state of affairs which constitutes a grievous injustice to thousands of honest, devoted civil servants by keeping them on the list of casual employees and therefore not entitled to the security which permanent employees are receiving. I want to say now, Mr. Chairman, to new hon. members of the House that this is not an issue that affects only a handful of employees and not only in one constituency. I think you will find such

discrimination in every constituency.

The Civil Service estimates that about six thousand employees of the Government are not listed as permanent employees but are shown as casuals and, of course, receive no benefits of the sort the others get. In their publication a couple of years ago the Association devoted an entire editorial to the question. I have in my hand an editorial from The Civil Service News of June, 1950, and I want to say, Mr. Chairman and hon. members, that the situation has not changed materially since then. Now what was the situation at that time as dealt with by the Civil Service? They said the following:

> "Each spring when the Estimates are brought in the Civil Service Commissioner enters a report on the number of civil servants in the employ of the Ontario Government. By tacit implication the members of the public are led to believe that this figure represents the total establishment of our public payrolls. Yet a spot survey made by the Civil Service Association of Ontario from within its membership would tend to indicate that some six thousand individuals are continuously employed by various Government departments but completely denied the privilege of security and superannuation usually associated with capable and responsible servants."

And listen to this, Mr. Chairman:

> "There are countless cases on record where individuals have served the public through the offices of Government Departments continuously and diligently for periods ranging from five to twenty-five years. It is reasonable to suppose from the employee's point of view that he has a steady job. He has, but he cannot enjoy the security of tenure nor look forward to the reward of superannuation."

Mr. Chairman, I think this is a scandalous situation. We talk about responsibility of private enterprise and of industry to its workers, but this Government is setting a horrible example by keeping upwards of six thousand people on the casual list for periods of from five to twenty-five years. I think it is a gross injustice to those people. You will find particularly in the Department of Highways people working on the highways in your constituencies who have been on the job for ten years and more and are still listed as casuals.

I do not think the people of this Province want this Government or any Government to perpetuate an injustice like that and, Mr. Chairman, it may be some defence for the Government to say they did not institute the policy, that they inherited it from previous Governments, but I suggest that is hardly a justification for the continuation of this policy now. I venture to suggest that if my remarks were printed in the weeklies in the smaller communities from which you come, you would have hundreds of your constituents come to you, each hon. member separately, and say: "What the hon. member for St. Andrew said is absolutely true, and why do you not do something about it?"

There is an entire section of the Maintenance staff, for instance, that is not considered permanent because its employees only work five or six hours a day, but they have been working five and six hours

a day for fifteen years and more, yet they are still not considered permanent and are not entitled to any of the benefits which the permanent members of the staff are entitled to, on a percentage basis that is.

I want to protest very, very sharply against this horrible policy which is being continued in our Civil Service. I think it is high time we stopped it, and I hope the hon. Provincial Secretary (Mr.Welsh), who is a very fine gentleman whom I admire personally, and whom I hate to put "on the spot", will nevertheless rise and either defend this Government's policy on an indefensible position or say that it was wrong and they will do away with this injustice henceforth.

MR. W. L. HOUCK (Niagara Falls): Mr. Chairman, before you leave Vote No. 143, I want to ask the hon. Provincial Secretary (Mr. Welsh) a couple of questions and I do not want to make a speech. I wonder if the hon. Minister would tell me, is the Civil Service Commission made up of three members or just one member at the present time.

MR. WELSH: Just one member at the present time, Mr. Chairman.

MR. HOUCK: And how many permanent civil servants are listed with the Commission at the present time?

MR. WELSH: You mean in the Civil Service Commissioner's office?

MR. HOUCK: That is right, yes.

MR. WELSH: The staff of the Commission, Mr.

Chairman, numbers twenty-nine as compared with twenty-six last year.

MR. W. J. GRUMMETT (Cochrane South): Mr. Chairman, following the question asked by the hon. member for Niagara Falls (Mr. Houck), I believe new hon. members should be informed that the Statutes provide for a Commission of three members. We passed an Act, if I remember correctly, in 1950, an amendment providing for a Commission of three members and that amendment to the Act stated that the Commission "may be increased to three". There was the whole secret of the thing, Mr. Chairman; the Commission "may be increased to three." Why do we not put in our Statutes "the Commission shall be increased to three"? It leaves it to the Government to do as they wish on recommendations of this kind. I think that Commission should now be increased to three.

I have a great deal of admiration for the Commissioner; he is a very fine man and doing a very fine job, but it is a big job and I believe he and everyone else would be better satisfied if he had some assistance in the job he has to do.

MR. SALSBERG: Mr. Chairman, I want to protest against the attitude of the hon. Provincial Secretary (Mr. Welsh) in just sitting there and refusing to answer a question.

HON. DANA PORTER (Attorney General): He does not have to.

MR. SALSBERG: He does not have to, I know.

THE CHAIRMAN: Order.

MR. SALSBERG: I shall raise another question; perhaps I will get an answer to this one.

MR. PORTER: What is the question?

MR. SALSBERG: I may speak if I want to.

MR. PORTER: I know, but you did not ask a question.

MR. SALSBERG: The hon. Attorney General (Mr. Porter) had better read the rules and not come to the defence of the hon. Provincial Secretary (Mr. Welsh). He is well able to take care of himself.

MR. PORTER: I am just an hon. member entitled to know what is the question.

MR. SALSBERG: There is a good reason he does not answer; it is because he cannot defend the situation I mentioned. Having failed on those two, I want to ask another question. Why did the hon. Provincial Secretary (Mr. Welsh) on behalf of the Government -- because whatever he does is the responsibility of Government -- interfere when the employees of the Liquor Commission attempted to join a union and deny them the right to join a union?

MR. WELSH: Mr. Chairman, I would be very glad to answer that question. We have in the Liquor Control Board an Employees' Association. I was approached by an absolute outsider whom I had never seen before in my life, who demanded that he be brought in to see me on a matter that affected the

Association of the Liquor Control Board, and I said, "No, I deal with only one Association; that is the Association of my own employees. If they wish to bring this man in, that is their privilege, but until they do I will not see him."

MR. SALSBERG: For the record I must state --

THE CHAIRMAN: Order.

MR. SALSBERG: I beg your pardon, there is nothing wrong with what I am doing; I am not violating any rules of the House in Committee. For the record I must state that the hon. Provincial Secretary (Mr. Welsh) did more than what he has announced here. He made public statements that he considered the employees of the Liquor Commission as Civil Servants and therefore could not join a trade union. That is recorded.

MR. WELSH: That is absolutely untrue. I made the statement that the employees of the Liquor Control Board were civil servants, that is true. I said nothing whatever about their joining any labour union or anything else.

MR. SALSBERG: I am glad to hear that and I will check it.

Votes Nos. 143 and 144 agreed to.

On Vote No. 145:

MR. W. L. HOUCK (Niagara Falls): Mr. Chairman, Vote 145 is up some $12,000 over last year. I wonder if the hon. Provincial Secretary (Mr. Welsh) could tell us the reason. This is not an election year, is it?

MR. WELSH: Mr. Chairman, in reply to the question the hon. member for Niagara Falls (Mr. Houch) has asked, that includes the salaries of the Clerk of the Crown in Chancery, who used formerly to be shown separately. We have amalgamated, that is all, and that is why that item is larger.

Vote No. 145 agreed to.

On Vote No. 146:

MR. J. B. SALSBERG (St. Andrew): Mr. Chairman, may I ask the hon. Provincial Secretary (Mr. Welsh) to tell us how much of this $6,100 appropriated a year ago for the Legislative Committee for Art Purposes was used, and whose likeness was painted and where was it hung?

HON. DANA PORTER (Attorney General): Where is it?

MR. SALSBERG: It is in Vote No. 146, Item 8.

MR. WELSH: Mr. Chairman, in reply to the question of the hon. member for St. Andrew, the Estimates for 1951-52 provided an amount of $6,125 to meet the possibility of the portraits being painted of Hon. Mr. Hepburn, the Hon. Mr. Nixon and the Hon. Mr. Drew. None were painted, however, and to again provide for that possibility an amount of $6,000 was placed in this year's Estimates.

MR. SALSBERG: Mr. Chairman, does that mean they are the only outstanding hon. members who have not been painted, who deserve to be painted?

MR. WELSH: Well, Mr. Chairman, whether they

remain outstanding would be a matter of personal opinion, but I may say they are the only three Premiers who have not been painted.

MR. W. J. GRUMMETT (Cochrane South): Mr. Chairman, on Vote 146, Item 6, I notice there is an Estimate set aside for Committees' fees and so forth of $2,000. Is that to cover Select Committees of the Legislature? If it is, then does the hon. Provincial Secretary (Mr. Welsh) not think it is too low? In 1951 the Select Committees of the Legislature I believe cost an amount of around $18,000, and more and more the work of the Legislature has to be done by Committees, and I think we should provide in the Estimates for a sufficient amount to cover the expenses of these Committees. Undoubtedly this year there will be three or four Select Committees, and $2,000 will not by any means cover the expense.

MR. WELSH: Mr. Chairman, in reply to the hon. member for Cochrane South (Mr. Grummett), he is quite right, that is only a token estimate actually because it is impossible to make an estimate that is anywhere near being correct as to the amount of money that will be expended on Committees. In the first place, when these Estimates were made up some time ago we did not know how many Committees were going to be in operation, and we didnot know how many hon. members were to sit on those Committees or how long they are going to sit, so it is necessary to put in an amount, but it is actually only a token amount. As the hon. member for Cochrane South says, the item last year

was very much smaller than the amount that was actually expended. We spent about $18,000.

Vote No. 146 agreed to.

On Vote No. 147:

MR. J. B. SALSBERG (St.Andrew): Mr. Chairman, on Vote 147 I do not think it is necessary to apologize but I do want to explain that, after all, the Opposition side is not taking up too much time.

HON. DANA PORTER (Attorney General): Well, do not apologize, that is a waste of time.

MR. SALSBERG: On 147, the Queen's Printer, there are a couple of remarks I want to make and a couple of questions I want to ask. First I want to reiterate what I have said on other occasions, and that is that all printing done by the Government through the Queen's Printer should in my opinion bear the union label. I believe that nowadays this is not too much to ask even from a Conservative Government. I think this Government can take the example of the City of Toronto where the Civic Government has established this principle, that City printing bear the union label and it is asked for when contracts are let. I think we should follow that very fine example and make it part of the conditions for granting contracts that the union label be shown. I should like to hear from the hon. Provincial Secretary (Mr. Welsh) as to whether he agrees with this very progressive thought and this very correct suggestion.

The other point I want to raise is the manner in which our printing contracts are let. I have tried for the last couple of years to find this out, but have failed to get the Queen's Printer to attend the meetings of the Committee on Printing to answer questions. I gave that information to the House and the very genial hon. Prime Minister (Mr. Frost), in his very friendly way, implied that I may have been in order in asking, but that there is nothing in the rules to compel the Queen's Printer to appear if he does not wish to, even before the Committee on Printing. Because I was persistent -- and may this be a lesson to you young hon. members -- I was dropped from the Committee on Printing. That is the way I was answered. Let it, also, be a lesson for you that when you want something badly you can secure it in more ways than one. Having been dropped from the Committee on Printing, on which I had the privilege of serving for a long time, I am now obliged to raise the question here rather than in the Committee on Printing. It would have been wiser to have allowed me to continue on that Committee.

I want to say that I am not satisfied that the official printing contracts of this Province are let in a manner that is satisfactory. I do not know whether the major printing orders are advertised, although I have been a member of the Committee on Printing for years. I do not know whether firms are given an opportunity to bid for the printing

contract, and I do not know whether it is granted to the lowest bidder, everything else being equal or not, and I doubt whether other hon. members of the House know, and I doubt whether other hon. members of the Cabinet know. In fact, I am sure the hon. members of the Cabinet do not know, and I think that is a wrong procedure. I think it is very, very bad when we cannot state that all our contracts are let in a manner that will give every printing house in the province an opportunity to compete, and that the contracts will go to those who offer to do the work for the lowest price, everything else being equal.

I think the hon. Provincial Secretary should, in addition to answering my first question about printing with the union label, also enlighten the House on the procedure followed in regard to the matter I have just raised.

Just a moment, Mr. Chairman; the hon. Provincial Secretary wishes to make an explanation. I think you should give him that opportunity.

MR. WELSH: Mr. Chairman, to my knowledge I have answered that same question perennially. If the hon. member for St. Andrew (Mr. Salsberg) has been on the Committee on Printing so long and is so familiar with its workings, it is a very strange thing to me that he has not found out that the Committee does not deal with Government printing generally.

MR. SALSBERG: What does the Committee on Printing deal with?

MR. WELSH: It deals with the printing of the Reports of the House.

MR. SALSBERG: What major deals --

MR. WELSH: And each major job is let by tender, and if he is in doubt as to anything being wrong in the office of the Queen's Printer, he has his remedy in his own hands. Call the Public Accounts Committee and we would welcome an investigation.

MR. SALSBERG: I did not say anything was wrong.

MR. WELSH: The hon. member has brought up this old perennial chestnut when he speaks about the union shop. We have in the Province of Ontario 1100 firms engaged in the printing businesss, of which five per cent are union shops and they are practically all in the City of Toronto, and he uses the City of Toronto as an example. There are a lot of other printers in the Province of Ontario besides those in the City of Toronto, and of those 1100 firms actually engaged in printing -- and that includes newspapers and other people who are in the business as well -- we deal with 722.

Does that answer the hon. member's question?

MR. SALSBERG: No. There are union shops in Toronto, Hamilton, Kingston, Ottawa and other places.

In the cities where there are union shops do you give preference to the union shops and ask for the union label.

(Take "H" follows)

MR. WELSH: Mr. Chairman, I do not want to drag this discussion too long. The hon. member for St. Andrew (Mr. Salsberg) knows as well as I do that there are a large number of printers who are union men, but are not engaged in union shops, and I certainly will not restrict my printing contracts to about five per cent of the shops in Ontario.

On Vote 148.

MR. GRUMMETT: I would like to ask one question, Mr. Chairman, of the Hon. Minister, covering the standardization of hose couplings and allied fittings. Have any steps been taken to prevent municipalities in the future purchasing equipment which is not standardized? Supposing some little municipality in some area purchases some old equipment and installs it, and immediately thereafter, that particular equipment might be standardized. I wonder if the Department has taken steps to see that suppliers of equipment, in the future, do not supply any equipment whatsoever in the Province which is not of a standard make.

MR. WELSH: Mr. Chairman, I would like to thank the hon. member for Cochrane South (Mr. Grummett) for bringing that matter up, because it is very important. We realize the danger. With the help of

the Federal Government, we are not importing any American equipment which does not rate the standard specifications, and when new equipment is standardized, the old equipment is taken out, and replaced, and is then melted down, for further use in some other way.

That question might arise, but I do not think it will, because the Fire Marshal has absolute control of the equipment in the Province, and he is well-acquainted with the situation, and will not fail to see that all his equipment is standardized.

MR. HOUCK: Mr. Chairman, may I ask the Hon. Minister (Mr. Welsh) a question? He mentioned this afternoon either four or six men who were lecturing on the question of civil defence. May I ask if they are loaned by the Federal Government, or are they paid for by the Provincial Government?

MR. WELSH: They are employees of the Civil Defence Department. I think I have about seven people altogether in that branch.

Votes 148 to 150 inclusive, agreed to.

HON. L. M. FROST (Prime Minister): Mr. Chairman, I move the Committee rise and report progress.

Motion agreed to.

The House resumed; Mr. Patrick in the Chair.

MR. A. W. DOWNER (Dufferin Simcoe): Mr. peaker, the Committee of Supply begs to inform you hat it has come to certain resolutions, and moves for eave to sit again.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. peaker, I move that you do now leave the Chair, and he House resolve itself into the Committee of the hole.

Motion agreed to.

House in Committee; Mr. Patrick in the Chair.

THE MAGISTRATES' ACT, 1952

CLERK OF THE HOUSE: 24th Order; House in ommittee on Bill No.44.

HON. DANA PORTER (Attorney-General): Mr. hairman, I move that Order No.24 be discharged, and hat Bill No.44 be referred to the Committee on Legal ills.

Motion agreed to.

Order No. 24 discharged.

THE CITY OF STRATFORD

CLERK OF THE HOUSE: Private Bills;first order; House in Committee on Bill No.3, "An Act respectingthe City of Stratford." Mr. Edwards.

Sections 1 to 5 inclusive, agreed to.

The preamble agreed to.

Bill No.3 reported.

THE CITY OF SAULT STE. MARIE

CLERK OF THE HOUSE: Second Order; House in Committee on Bill No.5, "An Act respecting the City of Sault Ste. Marie", Mr. Lyons.

Sections 1 to 9 inclusive, agreed to.

The preamble agreed to.

Bill No.5 reported.

THE TOWN OF TIMMINS SEPARATE SCHOOL BOARD

CLERK OF THE HOUSE: Third Order; House in Committee on Bill No.6, "An Act respecting the Town of Timmins Separate School Board", Mr. Grummett.

Sections 1 to 6 inclusive, agreed to.

The preamble agreed to.

Bill No.6 reported.

(Take "I" follows)

J. L. THOMPSON SUPPLY LIMITED

CLERK OF THE HOUSE: Fourth Order, House in Committee on Bill No. 8, "An Act respecting J. L. Thompson Supply Limited." Mr. Parry.

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill No. 8 reported.

TOWN OF BARRIE

CLERK OF THE HOUSE: Fifth Order, House in Committee on Bill No. 27, "An Act respecting the Town of Barrie." Mr. Johnston (Simcoe Centre).

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 27 reported.

CITY OF FORT WILLIAM

CLERK OF THE HOUSE: Sixth Order, House in Committee on Bill No. 7, "An Act respecting the City of Fort William." Mr. Mapledoram.

Sections 1 to 21 inclusive agreed to.

Schedule agreed to.

Preamble agreed to.

Bill No. 7 reported.

MUNICIPALITY OF NEEBING

CLERK OF THE HOUSE: Seventh Order, House in Committee on Bill No. 17, "An Act respecting the Municipality of Neebing." Mr. Mapledoram.

Sections 1 to 7 inclusive agreed to.

Preamble agreed to.

Bill No. 17 reported.

TOWNSHIP OF McKIM

CLERK OF THE HOUSE: Eighth Order, House in Committee on Bill No. 33, "An Act respecting the Township of McKim." Mr. Fullerton.

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill No. 33 reported.

THE DIVISION COURTS ACT

CLERK OF THE HOUSE: Seventeenth Order, House in Committee on Bill No. 40, "An Act to amend the Divisions Courts Act." Mr. Porter.

Sections 1 to 4 inclusive agreed to.

Bill No. 40 reported.

(Take "J" follows)

THE REGISTRY ACT.

CLERK OF THE HOUSE: Eighteenth order, House in Committee on Bill 45, "An Act to amend the Registry Act", Mr. Porter.

Sections 1 to 8 inclusive agreed to.

Bill No. 45 reported.

THE SURROGATE COURTS ACT.

CLERK OF THE HOUSE: Nineteenth order, House in Commmittee on Bill No. 46, "An Act to amend the Surrogate Courts Act", Mr. Porter.

Sections 1 to 3 inclusive agreed to.

Bill No. 46 reported.

COUNTY COURTS ACT.

CLERK OF THE HOUSE: Twentieth order; House in Committee on Bill No. 57, "An Act to Amend the County Courts Act", Mr. Porter.

Sections 1 to 5 inclusive agreed to.

Bill No. 57 reported.

THE SHERIFFS ACT.

CLERK OF THE HOUSE: Twenty-first order, House in Committee on Bill No. 59, "An Act to amend the Sheriffs' Act", Mr. Porter.

Sections 1 to 5 inclusive agreed to.

Bill No. 59 reported.

HON. L. M. FROST (Prime Minister): Mr. Chairman, I move the Committee do now rise and report certain Bills without amendment.

Motion agreed to.

The House resumes: Mr. Downer in the Chair.

MR. T. L. PATRICK (Middlesex North): Mr. Speaker, The Committee of the Whole House begs to report certain Bills without amendment, and move its adoption.

Motion agreed to.

TOWN OF FORT ERIE.

CLERK OF THE HOUSE: Ninth order; second reading of Bill No. 30, "An Act Respecting the Town of Fort Erie", Mr. Houck.

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, I move second reading of Bill No. 30, "An Act respecting the Town of Fort Erie".

Motion agreed to; second reading of the Bill.

(Take "K" follows).

CLERK OF THE HOUSE: 10th Order; Second Reading of Bill No.4, "An Act respecting Sarnia Young Men's and Young Women's Christian Association", Mr. Cathcart.

Mr. T. R. DENT (Oxford): Mr. Speaker, in the absence of Mr. Cathcart, I move second reading of Bill No.4, "An Act respecting Sarnia Young Men's and Young Women's Christian Association".

Motion agreed to; second reading of the Bill.

SYNAGOGUE AND JEWISH COMMUNITY CENTRE OF OTTAWA

CLERK OF THE HOUSE: 11th Order; Second reading of Bill No.11, "An Act respecting the Synagogue and Jewish Community Centre of Ottawa", Mr. Morrow.

MR. T. PRYDE (Huron): Mr. Speaker, in the absence of Mr. Morrow, I move second reading of Bill No.11, "An Act respecting the Synagogue and Jewish Community Centre of Ottawa".

Motion agreed to; second reading of the Bill.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF BELLEVILLE

CLERK OF THE HOUSE: 12th Order; second reading of Bill No.42, "An Act respecting the Young

Men's Christian Association of Belleville," Mr. Sandercock.

MR. T. PRYDE (Huron): Mr. Speaker, in the absence of Mr. Sandercock, I move second reading of Bill No.22, "An Act respecting the Young Men's Christian Association of Belleville".

Motion agreed to; second reading of the Bill.

TOWNSHIP OF PELEE

CLERK OF THE HOUSE: 13th Order; Second reading of Bill No.23, "An Act respecting the Township of Pelee", Mr. Murdoch.

MR. T. PRYDE (Huron): Mr. Speaker, in the absence of Mr. Murdoch, I move second reading of Bill No.23, "An Act respecting the Township of Pelee".

Motion agreed to; second reading of the Bill.

CITY OF KINGSTON

CLERK OF THE HOUSE: 14th Order; second reading of Bill No.32, "An Act respecting the City of Kingston", Mr. Nickle.

MR. G. G. JOHNSTON (Simcoe Centre): Mr. Speaker, in the absence of Mr. Nickle, I move second reading of Bill No.32, "An Act respecting the City of

Kingston".

Motion agreed to; second reading of the Bill.

HON. L. M. FROST (Prime Minister): Mr. Speaker, before moving the adjournment of the House, I would like to table answers to questions 84, 78, 58, 52, 48 and 47.

MR. W. L. HOUCK:(Niagara Falls): Mr. Speaker, before the House adjourns, the Hon. Leader of the Opposition (Mr. Oliver) requested I ask the Hon. Prime Minister if it is the intention to continue the Budget Debate all to-morrow afternoon.

MR. FROST: Mr. Speaker, I would like to go ahead at three o'clock with the address by the financial critic of the Opposition, the hon. member for Brant (Mr. Nixon), and then the other Opposition speakers. I am not sure at the moment whether there will be any Government speakers intervening or not.

I would like to take up the supplementary estimates mentioned in the Budget, following which we might consider the estimates of the Attorney-General's Department. Then, if there is still time, we can proceed with the second readings of certain Bills, but I can

assure the hon. members that the speeches on the Budget will take precedence.

Mr. Speaker, I move the adjournment of the House.

Motion agreed to.

The House adjourned at 6.02 of the clock p.m.

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ONTARIO

First Session

of the

Twenty-Fourth Legislature

of the

Province of Ontario

0

Toronto, Ontario, February 21, 1952, et seq.

0

Volume XXIV

Tuesday, March 25, 1952.

0

HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Chief Hansard Reporter
Parliament Buildings
Toronto

T W E N T Y - F O U R T H D A Y

P R O C E E D I N G S

of the

FIRST SESSION OF THE TWENTY-FOURTH LEGISLATURE, HELD IN THE PARLIAMENT BUILDINGS, TORONTO, ONTARIO, ON THURSDAY, FEBRUARY 21st, 1952, et seq.

Hon. (Rev.) M. C. Davies, Speaker,
Presiding.

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Toronto, Ontario,
Tuesday, March 25, 1952.

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The House having met. 3 o'clock p.m.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. W. M. NICKLE (Kingston): Mr. Speaker, I beg leave to present the fifth report of the Standing Committee on Private Bills and move its adoption.

THE CLERK-ASSISTANT: Mr. Nickle, from the

Standing Committee on Private Bills, presents the following as its fifth report:

Your Committee begs to report the following Bills with certain amendments:-

Bill No.12 - An Act respecting the City of London.

Bill No.18 - An Act respecting The Ottawa Association for the Advancement of Learning.

Bill No.25 - An Act respecting the City of Ottawa.

Bill No.29 - An Act respecting the City of Toronto.

All of which is respectfully submitted.

Toronto, March 25th, 1952. (Sgd.) W. M. Nickle, Chairman.

Introduction of Bills.

Orders of the Day.

BUDGET DEBATE

CLERK OF THE HOUSE: 14th Order, resuming the adjourned debate on the motion that the Speaker do now leave the Chair, and that the House resolve itself into the Committee of Supply.

MR. H. C. NIXON (Brant): Mr. Speaker, I must thank the hon. Prime Minister (Mr. Frost) for calling this order so early in the afternoon, and not leave me suffering on the hook for some hours, as he

did the Hon. Leader of the Opposition (Mr. Oliver) a couple of days ago. I do not know, Mr. Speaker, at what stage in the experience of an hon. member he looks forward with any degree of pleasure to making a contribution in the form of a debate, but I am sure the Hon. Minister of Agriculture (Mr. Kennedy) will agree with me that it must be considerably longer than either he or I have been in the House.

I do want to take this opportunity, even though somewhat belatedly -- to pay my respects to you, Mr. Speaker, as this is the first time I have had the floor. I want to congratulate you on your election by the unanimous vote of this House as Speaker of the 24th Legislature, a position you held in the 23rd Legislature, and the duties of which office you have discharged so capably and acceptably. This is not an honour which falls to the lot of many past Speakers in the Province of Ontario, and I believe none at Ottawa, where they are changed with every Government, and this is an honour you well deserve.

I think I mentioned before the election that with you in the Chair, I would be quite happy to accept the custom which obtains in the Mother of

Parliaments, and that you should continue as Speaker, irrespective of what Government might be in office. I am very sorry indeed I did not have the opportunity of showing how sincere I was, by seeing you elevated to that position by the Liberal Government in office, but I know you will accept my assurance in that regard.

Mr. Speaker, I am never one to complain of the outcome of an election. Of course, I have not had much reason personally to do so. However, I never am unduly elated by the success of my party in a general election. I know well how much responsibility goes with the Government of the day. Nor am I unduly dejected when my Party goes down to defeat, because there is always another day coming.

The experiences of the past are always the best guide to the future, and I remember very well after the election of 1929, when Mr. Ferguson came back to this House with 91 members out of 111. The House to-day seems a little over-crowded with "Tories" with only 79, so you can imagine what the situation was in 1929, when we had 91 of them here. If it is thought that some of our members are a little too enthusiastic over their victory at the present time, I would remind my hon. friend (Mr. Frost) of former days, and ask him to

cast his mind back to the 1921 election, following which there were 91 "Tories", and he will agree with me, I am sure, that our present hon. friends are very mild and considerate indeed of the Opposition, compared to the experiences we had in those days, when it was almost as much as your life was worth to stand in your place in Opposition and suggest that the Government of that day might not have all the best policies any government could assume.

I remember Mr. Ferguson telling a friend of mine, when the campaign was on, that he was very fearful there was not going to be any opposition at all. He evidently liked the situation so little, when he came back into the House with 91 members, that he resigned very shortly afterwards. This is the thought I give to the Hon. Prime Minister (Mr. Frost).

HON. T. L. KENNEDY (Minister of Agriculture): It is simply wishful thinking.

MR. NIXON: At that time, Mr. Henry took over. The next election rolled around in 1934, following which there was not a single Conservative elected from Toronto to Windsor. Even my good friend, the Hon. Minister of Agriculture (Mr. Kennedy) went out

with the tide. There was one non-Government member, Mr. Lawrence of Hamilton, who was not opposed by a Liberal candidate at the time, but he went out in the next election when he was opposed. So judging from past history, we have happy days ahead of us, indeed.

I have listened with a great deal of interest to the addresses on the Debate in Reply to the Speech from the Throne, particularly those from the new hon. members. It is always a great pleasure to meet the new members when they come into the Legislature, although it is saddening, of course, to part with those who have been colleagues of ours for so many years. I want to take this opportunity of congratulating the new hon. members of their successes in the election, and for the splendid contributions they have made to the Debates in Reply to the Speech from the Throne. I was particularly interested, Mr. Speaker, in the references which were made to the three new hon. members of this Legislature who are sons of former Cabinet Ministers. I knew their fathers very intimately. I was here when they came in; I was here when they went out, and I hope I may be here to welcome the third generation, if and when they make their appearance in the House,

although that may be asking a little too much of Providence, and the electors.

The very mention of these former members whose sons now succeed them in the House brings to mind many interesting incidents. Certainly their fathers, as Cabinet Ministers in two instances, and as members of the Opposition, made very great contributions, indeed, to the Legislature, and to the development of the Province of Ontario. Without exception they were responsible for some tense moments in this House, and I recall with a good deal of interest the occasions on which they were the outstanding subjects of discussion, and the events which followed on those occasions. I was interested in the address by the hon. member for Riverdale (Mr. Macaulay) when he said he certainly was not going to follow in his "Dad's" footsteps, and be confined in the tower, or even follow in his footsteps toward opposition. I can assure the hon. member that the confinement of his father in the tower was more symbolic than real or actual. I remember very well, as probably other hon. members in the House also remember, when he was led down this floor by the Sergeant-at-Arms of that day, an experience we have

never had before nor since, in my day.

Insofar as not following in his father's footsteps toward opposition, Mr. Speaker, I do not know that I can sympathize with him in that suggestion. I know that his worthy "Dad" did some splendid work in Opposition. I know the hon. Prime Minister (Mr. Frost) would not, for anything, have missed the education and opportunities he had in opposition. So, with the very best wishes to my hon. friends, I hope that in the not-too-distant future, they will have the opportunity of serving as members of Her Majesty's Loyal Opposition.

I was also greatly interested, and found myself in complete agreement with the hon. member for Kingston (Mr. Nickle) whose father was a former Attorney-General in the Province, and also in Opposition. He came into the House, I think, in 1920 or 1921, and certainly performed a very outstanding service in both capacities. I found myself in complete agreement with the address by the hon. member (Mr. Nickle) on the motion for a reply to the Speech from the Throne, and on the St. Lawrence Waterways as well. He mentioned the unnecessary delays in our courts, Mr. Speaker, and just recently I noticed that one of the municipalities in my own

riding of Brant was complaining very bitterly of the costs of court delays, mentioning that in one case the delays had been repeated to such an extent that the expense to the municipalities had amounted to the sum of $1100. and the case had not yet come to trial. Witnesses had been brought from considerable distances at great expense, but the case never was tried. There is certainly ground for improvement there. I think, also, there is ground for improvement in our magistrates' courts. I know of some experiences in my own riding where adjournment followed adjournment, six times, witnesses had been brought back and brought back at great expense, and trouble, and the case when it was finally called was disposed of by being thrown out, in a matter of ten minutes. I think there is room for improvement in the Act in administration of justice in this regard.

It is a matter of great regret to me that at this stage the House is denied the very competent services of the former Liberal budget critic who fell by the wayside in the fortunes, or misfortunes -- as you may view them -- of the last Provincial election. Mr. Brown was a chartered accountant with vast experience, and made some very able suggestions and contributions

in his three budget speeches; however, the lot now falls upon your humble servant, although I am but little able to fulfill the important duties thus assigned to me, if I may borrow the words from your acceptance speech of a few days ago. However, I will do my best to deal with the astronomical figures which the Hon. Treasurer (Mr. Frost) has placed before the House. He tells us this is his 10th consecutive Budget speech, and I believe that constitutes a record, although he did deliver two of them in one year. I congratulate him on achieving such a record. It is quite an achievement to live in Government for ten years, with all the stresses and responsibilities which go with the position.

I found myself in considerable agreement and accord with many of his proposals. I am sure he will pardon me if I do not take up too much of the time of the House this afternoon in expressing those points of agreement. After all, he managed to pat himself on the back rather effectively, and he has some 77 other members who, I have no doubt, will take an early opportunity to do the same. I am excepting you, of course, Mr. Speaker. There are 78, and the Hon. Treasurer (Mr. Frost), makes 79. I do not wish to add to the nausea of the hon. member for

Grey South (Mr. Oliver) who complained the other day that he found the repetition of praise of the Government very nauseating.

The Hon. Treasurer (Mr. Frost) has certainly learned through his long years of experience how to present a Budget in the most palatable way. He knows just which points to emphasize, and which points to gloss over quickly. For instance, when he came to the question of debt and taxation -- particularly of debt -- he said, "I now table statements of the gross debt, the net debt, the funded debt, and the indirect debt", and statements were simply placed upon the table. I suggest to the Hon. Treasurer it would add greatly to the interest of the hon. members of this House if, at that point, he had given us the sum total, and the increases in these debt statements. It would also have saved me the trouble now of having to look them up to bring them to the attention of the House, because they are really interesting, and very pertinent to the matter which is under discussion.

Mr. Speaker, I find in connection with the gross debt, for instance, that it is now $834,000,000, with an estimated increase for the current year of $136,000,000. Those are very considerable sums of money, indeed. The $136,000,000 increase in the gross

debt in one year constitutes, I am sure he will agree, a very substantial amount. Of course, $100,000,000 is accounted for by the money borrowed in New York and turned over to the Hydro. Had that money been borrowed by the Hydro and guaranteed by the Province, it would have been an addition to the indirect debt, so there is not too much difference between the two forms of debt, the gross debt and the indirect debt.

Coming to the estimated increase in the net debt, which is now $569,000,000, with an estimated increase for this year of $47,707,000. That is really an alarming figure. I presume it will be reduced in connection with the application of surplus, but the increase for one year of $47,707,000 is a figure which should be brought very emphatically to the attention of this House, and the Province.

This is one form of debt about which the Hon. Treasurer (Mr. Frost) has always warned the Province. It is a debt which must be paid by way of direct taxes from the people.

(Take "B" follows.)

There are no compensating assets built up that will automatically retire the debt by returning revenue to the province, but here we have an increase of forty-seven million dollars; the funded debt increased by nearly one hundred million dollars and that is very substantial. In the contingent liabilities, . which now total practically five hundred million dollars, there is an increase in that, Mr. Speaker, of seventy-seven and one-half million dollars. When this Government took office, I think the indirect debt of the province was about one hundred and twenty-two million dollars, which has now been increased to nearly five hundred million dollars. I have heard the hon. Provincial Treasurer (Mr. Frost) say, being a canny Scotsman from Victoria, he learned very early in his experience, not to take other people's notes. Certainly, as hon. Provincial Treasurer of Ontario, he has taken over notes to the extent of the difference between one hundred and twenty-two million dollars and five hundred million dollars. As I have pointed out, there is little difference, in fact, between the debt of the province and its contingent liabilities if, for any reason, any of your guaranteed notes or bonds are not paid by the principal. That has happened in the past. Ontario has to make them good. The question in regard to our Hydro issue, I assume, is as to what will be to the best

(Page B-2 follows.)

advantage for the Hydro and the province, whether the Hydro borrows their own money, guaranteed by the province, or whether the province issues their own bonds and hands the money over to the Hydro. It is interesting to note that the last Hydro issue of 4 per cent bonds was , at the time there were Ontario 4 per cent bonds which had been issued shortly before and which were selling at a premium. When the Hydro issue came along at 4 per cent, it was sold at a discount. I think there may be some explanation as to how they account for the fact that the straight provincial bond was selling at a premium, whereas the Hydro bond was selling at a discount.

It is also worthy of note and of bringing to the attention of the House that for the first time in over twenty years, the Government of Ontario went into the United States market for new money and secured some one hundred million dollars at 3½ per cent. That may look very attractive at this time, Mr. Speaker, but we have all gone through the sad experience in the past where it cost Ontario plenty of money to discharge her obligations in New York, when American funds were at a premium and our own money at a discount. It was held for some years arbitrarily at 10 per cent, but we have seen the discount against

Canadian funds much greater than that. I hope that will not be a policy of the Government to secure funds in foreign countries, if it is possible to secure them at reasonable rates in the province of Ontario. The day may well come when some future Government may bind itself to paying these monies and having to find American funds at a very considerable premium.

To get some idea of the debt of the province, I think it is fair to add the gross debt and the contingent liabilities which total up to one billion, four hundred and eight million dollars. I remember predicting many years back, with the way the expenditures and the debt of the province was mounting,

I would live to see the day the debt would be one billion dollars, although at the time I doubted if that would happen, to Old Man Ontario. However, I find these debts are approaching one billion, three hundred million dollars. At this time I suggest we should pause and take stock.

The hon. Provincial Treasurer (Mr. Frost) has received some honorary degrees from universities such as Ll.D.; and I might suggest that we give him a degree here of Ph.D., honorary or otherwise, because of his experience with debts, as he has certainly piled them higher and deeper.

I sat in this House for some years when the hon. Provincial Treasurer (Mr. Frost) was in Opposition. I can imagine what he would have been able to do with a statement such as that. Mr. Speaker, he would have had this House believing that we were just a very short jump ahead of the sheriff, if not absolutely bankrupt.

Let me remind you briefly of the financial condition of the province at the time the hon. Provincial Treasurer (Mr. Frost) took over. He delights to boast he has had nothing but surpluses in all his experience and it is a very pleasant situation to experience as hon. Provincial Treasurer of Ontario. He took over that important Department at a time when our financial condition was very good, and the Department of the Provincial Treasurer was staffed with most competent officials. In the last budget address delivered by the Honourable St.Clair Gordon on March 19, 1943, these were the comparable statementswhich Mr. Gordon gave to the House at that time. The indirect debt showed a reduction of two million, three hundred thousand dollars; the funded debt showed a reduction of nine million dollars; the net debt showed a reduction of three million, eight hundred and fifty-three thousand dollars and gross debt showed a reduction of twenty million, seven hundred and fifty thousand dollars. That was

an over-all situation to which the hon. Provincial Treasurer (Mr. Frost) does not like to refer, very much. He has been doing his budgeting on an over-all basis, but that year we had an over-all surplus of twenty million, seven hundred thousand dollars. The hon. Provincial Treasurer (Mr. Frost) takes great credit for evolving a policy of applying the surplus to the reduction of debt. There are only two ways a surplus can be used,. to reduce the debt or to reduce taxation and it is a matter of option with the Government. Most Governments like to use their surplus to reduce debt; in Opposition, they demand that the surplus be used to reduce taxation.

I was rather interested in an article in the Windsor Star, about the new "Tory" definition;

> "There is a new definition of the 'Tory'. The 'Tory' is a man who condemns the Dominion Government for having a surplus, but praises the Ontario Government for having a surplus."

Of course, our "Tory"friends at Ottawa have been fairly raving over the surpluses of hon. Mr. Abbott, but the hon. Provincial Treasurer (Mr. Frost) takes great credit for the surplus we have here. Down there, they want the taxes reduced, of course, but here the Government wants to apply it to the reduction of debt. There

we have the two comparative pictures. There was a reduction in all of the debt at the time the hon. Provincial Treasurer (Mr. Frost) took over the reins of office, and now there is an increase, a very substantial increase.

The hon. Provincial Treasurer (Mr. Frost) speaks a great deal about paying off the old debt in fifty years. I wish he would explain to me when a debt becomes old. A debt before you took office? A debt from another Government? Or last year's debt? Debt is debt, Mr. Speaker, as far as the province is concerned, and I do not think it has ever been outlawed. It has been repudiated. We have seen that in the experiences of the provinces of Canada. This is nothing new, the paying off a debt with debt retirement funds. I remember back in 1926, when Col. William Price was hon. Provincial Treasurer, he brought in a very elaborate debt retirement scheme and a certain sum was to be set aside each year to retire a portion of the debt, so all the debt would be retired in thirty years. The new bonds were to be serial so they would retire themselves automatically, and he was going to retire the debt, even if he had to borrow money to do it. That is what it amounted to, because the debt was very considerably higher when he left office than when he came in.

The idea of these serial bonds was scuttled as being impracticable.

Then we come to the question of surpluses and here again the Government claims a very substantial surplus of twenty-six million, one hundred and seventy-two thousand dollars before providing for sinking funds. Less provision for sinking funds, twenty-five million, two hundred and seventy-six thousand dollars, leaving a surplus of eight hundred and ninety-six thousand dollars. There does not seem to be any definite policy. I do not see how these figures are arrived at except by an arbitrary decision of the hon. Provincial Treasurer (Mr. Frost). He might just as well state that the twenty-six million, one hundred and seventy-two thousand dollars was surplus, or he could have said there is only one dollar to be carried forward into surpluses to say that he had a balanced budget. It was learned by the Government some years ago that it was unpopular to declare a very large surplus, at that time I think about twenty-five million dollars; that it looked much better to change the bookkeeping system and have the surplus paid into the debt retirement fund and declare a very small surplus of a few hundred thousand dollars. As I pointed out, that can be reduced to one dollar and all the rest paid into the debt retirement fund.

Of course, these figures are not final, because this is only the actual for ten months and estimated for two months. In past experience, judging from public accounts and auditors' reports, even the estimate of two months' revenue is many millions of dollars different from the actual. In the last report, I think you will find in the year ending the 31st of March, 1951, there was fourteen million dollars more money received than the hon. Provincial Treasurer (Mr. Frost) estimated there would be when he presented his Budget Address, and estimated the last two months of revenues. We will not know until the public accounts are presented next year, and we get the auditors' report the extent to which the actual revenues have exceeded the hon. Provincial Treasurer's (Mr. Frost) estimate at this stage. I might suggest in passing that the Department might very well have these public accounts issued and distributed to the hon. members before we come to the next Session of this Legislature. When the hon. Provincial Treasurer (Mr. Frost) was in Opposition, he got the public accounts every year in November. If they were not forthcoming . the first of November, he objected very strenuously. Surely it should not take his Department ten months to get your public accounts out for this year, which ends in a few days. I can

assure you that out on the farm it would make very interesting reading in the early part of the winter, to have the public accounts available for that year. When we get them here, they are ancient and we are occupied with other activities, we have not time to give them the study we could if they were issued in November of the year that has just closed.

Another matter I wanted to bring to the attention of the hon. Provincial Treasurer (Mr. Frost) -- and I have done this before --- , is the question of calling the bonds of the province before redemption, two or three years before they come due. That causes considerable embarrassment to small holders of bonds in the province. When I objected to it before, the Dominion Government was calling a bond issue and they were advertising it on the radio at frequent intervals. It was widely advertised in the Press that they were paying $101.00 for a $100.00 bond. The small holder does not see these advertisements, even if they are issued, and sometimes they are not issued very prominently, if at all. The only time you find that your bond has been called and that interest payments are no longer being paid, is when you present the coupons for payment and the bank cashes them and, of course, this sort of money is spending money, like manna

from heaven. In the course of a few weeks, you get a notice from the bank that the bond has been called six or eight months before and you will kindly make good the monies that have been paid you,and you are put to that loss and embarrassment. The Government actually gets the use of the money for ten months for nothing,at the expense of the very patriotic citizens who have bought your bonds. There may be some excuse for calling bonds for redemption if it is provided for in the bond, as of course it is, and it bears a high rate of interest, and you can borrow money for a much lower rate of interest. But why you are calling a bond for redemption that bears 3½ per cent or 3¼ per cent, when you are paying 4 per cent for money and calling it three years before it is due, is beyond my understanding. I wish the hon. Provincial Treasurer (Mr. Frost),at an early opportunity, would explain the financial advantages of this procedure. On this occasion, they did advertise quite prominently the fact that they are calling this issue for redemption, a 3¼ per cent bond, and no interest would accrue after the first day of May, 1952. The bond itself becomes due the first of May, 1955. It is probably quite true that holders of registered bonds of the province in large quantities would naturally be advised ,but I know from sad personal experience that the holder of a bond

or two of an unregistered nature does not find this out until he actually has to make good the coupon payments he has received.

Mr. Speaker, in the estimates that are before the House for consideration, we find the gross estimate of four hundred and thirteen million, six hundred and twenty-seven thousand dollars. That is divided into money to be voted, two hundred and thirty-nine million dollars, and statutory, one hundred and seventy-four and one-half million dollars. This is, of course, by long odds the largest gross expenditure that any Government has ever estimated before or has ever asked the House to pass upon.

(TAKE "C" FOLLOWS)

As the Hon. Treasurer suggested in his Budget Speech, we might very well ask wherein is the economy where such vast sums are recommended for our approval?

I want to also register a complaint about the amount which is statutory, $174,400,000. Mr. Speaker, Legislatures of the past have placed the Statutes on the books which give the Government a blank cheque with regard to this vast sum of money, nearly $175,000,000, so that these present hon. members have nothing whatever to do with the voting of this money. It is statutory, and is provided for by the Statutes which have been passed. I doubt very much if the hon. members of that day always appreciated they were giving the Government a blank cheque for all time to come, to spend these monies which were not voted by the House. I do suggest in every instance where a measure has this effect, the hon. members should be told the Statute, if it is passed, will provide for the expenditure of monies, in a statutory way, without the action of future Legislatures. As an example of the extent to which this has been carried, may I call attention to the fact that of the $99,000,000 which will be provided for the Department of Highways, only $4,500,000 is presented to us, representing monies to people voted by this Legislature. $4,500,000 out of

$100,000,000 brings us nearly to the point where it is scarcely worth while for the votes to be put before the hon. members at all. You might as well say, "All highway expenditures are statutory, and the members are not concerned with the places in which the money will be spent."

Other provinces have not found it necessary to carry this policy to the extreme which Ontario has, and even if there is no way of re-taking the ground which has already been lost, I suggest that any legislation of this kind in the future, should make it plain to the hon. members that they are robbing themselves of the right they undoubtedly have to vote the money in future.

In estimating the revenues for this year, the Hon. Treasurer has been rather pessimistic again, as he has been in the past. The auditors' report of public accounts shows that those were much higher than had been estimated by the Hon. Treasurer a year ago. I suppose the same will occur in the current year, because that has been the experience in the past.

Let us consider, for instance, the interim statement of our revenues, which is ten months actual and two months forecast, and we find the actual tax received was $71 million dollars, while the estimate

was $68½ million dollars. That was much closer than the Treasurer has been in the habit of coming, so I presume he is improving with age and experience.

The Liquor Board revenue, $42 million dollars. I think the estimate was $39 million dollars, an increase of three million dollars in this case. I wonder if there is set out in the budget speech any statement which shows the amount of money which was left in the till at the Liquor Board, because it has been the practice in the past to leave large sums there, Mr. Speaker, for what is called "stabilization of revenue". I think a year ago there was the sum of four million dollars, a very considerable sum in any case, and I believe the total amount which was held by the Liquor Board for "stabilization of revenue" was $14,600,000. I, for one, would be very much interested in knowing how much money there is in the till at the Liquor Board at the present time.

MR. FROST (Prime Minister): Just the same amount; no increase.

MR. NIXON: No increase? Are you satisfied that money should not be turned in to the Treasury of the Province of Ontario, rather than remain there year after year? Surely, Mr. Speaker, the transactions of each year should stand on their own feet,

and the profits of the Liquor Board should be turned over to the Treasurer of the Province of Ontario.

I might add that even the revenue of $42 million dollars from the Liquor Board seems to me a very substantial sum of money. I can remember, in former days, when we reported revenues of $14 million or $16 million, Mr. Drew rose in his place and damned the Budget as a "Fool's Budget". I do not know what he would call a Budget showing a revenue of $42 million of which $14,600,000 was still in the till of the Liquor Board, and had not been placed into the hands of the Provincial Treasurer.

---The Speaker retired, Mr. Downer in the Chair.

MR. NIXON: I suggest that the Province is doing fairly well financially from the Liquor Board, the way we are carrying on at the present time, and I hope that the Government will consider very well indeed before they permit an extended policy of advertising of liquors in this Province of Ontario, as I have heard suggested. I can assure you it would not be with my approval, if it is brought about.

In regard to succession duties; the revenue expected, $19,500,000; the Budget was for $15,500,000, four million dollars' difference in this Department --

over the estimate period. But it is in regard to corporation taxes particularly, that the Hon.Treasurer under-estimated the revenue by a very substantial amount. We now expect to get $90 million, with two months' forecast, where the estimate was $71,500,000. That is $18,500,000 received from corporation taxes over and above what was anticipated by the Hon.Treasurer a year ago. That is a very substantial amount, indeed. The corporation was really turning the money in to the Treasurer in a big way. It is this over-receipt of $18,500,000 that has made it possible for the Hon. Treasurer to show the favourable picture he did, when he compares the money received by collecting our own taxes -- corporation and succession duties -- with the renting of these fields to the Federal Government under a tax rental agreement plan. Had it not been for this $18,500,000 he would not have had such a good picture to present. I suggest that possibly the buoyant state of the corporation tax is, in no small measure, due to the vast sums of money being spent by the Government of Canada in defence expenditures. So we are profiting from the expenditures made necessary for defence purposes at Ottawa.

Here we have a total revenue of $293 million;

the estimate was for $256 million, or an under-estimation by $37 million. I suggest there can be some improvement in the budget estimates, if my hon. friend (Mr. Frost) capable Department could come closer to it than $37 million.

In connection with the corporation tax; there seems to be a feeling that this is almost manna from heaven, that the corporations are without souls; that there is no easier way in the world to get money than from the corporations by way of taxation, but taxes have now become so high on corporations, that every increase, Mr. Speaker, is simply adding value to the selling prices of their products, and they become direct taxes on the consumers of those products.

I was very much interested in an editorial in the March 19th issue of the Globe & Mail in connection with the demand for increased rates by the Consumers' Gas Company. The demand is for 25% increase. The editorial says:

> "The Consumers' Gas Company estimates that the 25 per cent increase will bring additional gross revenue of $2,825,889. Of this, no less than $1,542,935 -- or 54.6 per cent -- will go for Federal and Provincial corporation taxes, leaving $1,282,954 -- or 45.4 per cent -- for the company. In other words, the company must charge an extra twenty-eight cents in order to have the use of an extra twelve cents.

> Much of the same situation was brought out at the time of the telephone rate increases. The new rates granted the Bell Telephone Company in Ontario and Quebec are expected to give it additional gross revenue of $14,339,000. But more than half of this -- $7,827,000 -- will go to Federal and Provincial tax collectors, leaving $6,512,000 for the company. In other words, it must charge an extra fourteen cents in order to have the use of an extra six cents. The railways are in an identical position. Included in every freight increase is a substantial tax increase for Federal and Provincial Governments. The railways get what is left over.
>
> The public, which complains about all such increases, should understand this. It should realize that taxes have reached the level where an increase can no longer be absorbed, but must be passed along to the public in the form of, or as part of, a price increase. In short, taxes are prices; and constitute the chief factor in the new price of gas."

So we, by "going it alone" are duplicating the corporation taxes, and we are adding very considerably to the inflationary spiral, and the increased costs of the production of goods necessary for all our taxpayers.

I am, of course, in accord with and welcome the increased assistance to municipalities, and the increased assistance to our school section. But I notice, on careful study, the municipalities do not find the increase quite the bonanza they thought it would be, and in some cases it will not even meet the demands for the increased mill rate which they

have to meet.

With regard to the payments to the municipalities of what are, in reality, taxes on crown properties, and assessment of those properties by the Municipal Board; I do not see why the assessment should not be made by the regular Assessment Commissioner of the municipality, nor why we should have the Government assess its own properties, with the right of appeal from that assessment to the Municipal Board, which is a creature of the same Department that is going to make the assessment.

Frankly, I say that I am not too enthusiastic about the payments of taxes on the Parliament Buildings here in the City of Toronto. After all, Mr. Speaker, this is the Crown; this is the Legislative Assembly, and is the property of every citizen of the Province of Ontario, and every citizen is contributing to the costs of this Legislature, and the Legislative Buildings by way of taxes, directly or indirectly. While I cannot present any strong arguments, I do feel that it is offensive to the proprieties of the situation, that this building should pay taxes to the City of Toronto. It is all right to pay taxes on the Liquor Board Building, or the Hydro Building, but somehow or other I

resent the paying of taxes on the Parliament Buildings. Every municipality, I feel, has an equal right and an equal interest in the Parliament Buildings of the Province of Ontario, and I suggest that there might be some second thought given to that matter. Certainly the establishing of the Parliament Buildings in this city, and the making of Toronto the capital city of the Province, has brought untold millions of dollars to the Province, and has added immeasurably to the growth of the city, and the city has unquestionably derived very great advantages from being the capital city of the Province of Ontario.

When in our Liberal amendment we suggested to the House there should be increased assistance to the municipalities, we little thought that it would be so quickly carried into effect, from the reception it received at that time.

(Take "D" follows)

I was going to suggest to the hon. Minister (Mr. Challies) he might consider the payment of taxes on those great power lines that extend through our municipalities. I think with the new transmission lines you are providing from Niagara, you are actually buying the right-of-way where previously the right-of-way still belonged to the farmer who received some consideration, very inadequate in most instances, for the erection of the towers. This would provide much needed revenue to many municipalities, and I think it should be just as favourably considered as the payments of taxes on office buildings. Municipalities receive no benefit because of these great transmission lines passing through their municipality. I do not suggest that the lines which distribute power to the users of the commodity are in the same position at all.

In our own municipality, we expect this coming year to have the Imperial Oil place their pipe-line underground, that is the pipe-line now extending from Sarnia to London, and which will this year be extended on to the city of Toronto. They are paying taxes to the municipalities through which they go and what they will pay in crossing the ordinary one hundred acres, will practically equal the tax on that one hundred acres. In our own municipality, we expect some four

thousand dollars for this pipe-line which will be forty inches underground.

I might point out to the hon. Minister of Mines (Mr. Gemmell) that the Imperial Oil finds it possible to build this pipe-line from Sarnia to Toronto without any powers of expropriation whatever. I did not like too well the legislation which was passed in this House a couple of years ago giving the gas companies the full powers of expropriation in laying gas pipe-lines. It is certainly proven in this instance that it is not necessary to give these corporations the same powers of expropriation that the Crown likes to take for itself. Incidentally, the value of good public relations might be shown in this case. In one instance, when one farmer refused to accept the settlement offered, they were able to vary the directions slightly and go to another farmer and he said, "Why, sure, after all the pleasures I have had for years in listening to the Imperial Oil hockey broadcasts, you can cross my place for nothing". That just shows the value of good public relations.

Mr. Speaker, it is not my intention to detain the House at any greater length. I had some brief comments I wanted to make in connection with the Department of Reform Institutions, the Department over

which I had considerable to-do for some thirteen years, but as the hon. Minister (Mr. Foote) is absent to-day, I would like to reserve my comments on that for the Estimates.

I am very glad to see our new hon. Minister of Education (Mr. Dunlop) in his place. I want to congratulate him not only on his appointment to this important portfolio, but on his very outstanding success in the election. It goes to show that long experience in elections is not necessary to obtain a very handsome majority, certainly not in Eglinton riding, anyway. In this also, I commend the hon. Prime Minister (Mr. Frost) in finally getting around to the point of adding a full-time hon. Minister of Education to his Government. We will not quarrel with you any longer on that basis. I was rather amused during the election when there was a proposal that the hon. Ministers might be reduced in numbers to ten. The hon. Prime Minister (Mr. Frost) held up his hands in horror and said, "Why, it would make the Department of Education a part-time job for some Minister". In all the years of Tory Governments in this province, up to last October, I believe the important Department of Education was a part-time job.

I want also to congratulate the hon. Minister of Public Works (Mr. Thomas). I have always had a rather

fatherly interest in him. I was a member of the Government away back in 1920 when he was first appointed to the public service after graduating from the Ontario Agricultural College, and I have watched his good work in the public service and as a member of the Legislature, with much interest and approval. We will follow with interest, his contributions to the province as hon. Minister of Public Works and we expect great things of him.

In connection with the Department of Education, I was very much interested in an address delivered by the hon. Minister of Education (Mr. Dunlop) in Toronto, some weeks ago, on February 19. He was speaking to the Association of Rural Municipalities and was quoted in part:

> "Dr. Dunlop predicted that the era of lavish spending on education has gone and the return of the teaching of the three R's is in the offing. Some school boards were spending far too much money, we must now start to spend wisely."

Well, the inference is that we have not been spending too wisely, I take it.

> "--and practice the old virtue of economy. Perhaps we have too much in the way of fancy subjects taught in our schools and have gone too far away from the actual material needed. School children realize that they will not obtain much in life without hard work. He would like to see more competition in work

in the class rooms!"

Dr. Dunlop, in speaking of useless spending of some boards, mentioned that to his knowledge, some school buildings have been torn down when they still had several years of service left. School pupils in some districts were dwindling but a little wise thinking for the future would have prevented mansions being built which will be empty in a few years.

That very interesting address fairly electrified the province and it seems to me it indicates a complete right-about-face on the part of the Government policy if he were speaking of Government policy, which we assume he was. It would certainly indicate to me that the Department of Education to-day regards many of the schools, very costly schools that have been built, as unnecessary expense, in fact, are mansions, as the hon. Minister (Mr. Dunlop) says, and much of this has really been wasted. I have wondered for some years, Mr. Speaker, if I were reactionary and out of step with the times or if the Department and the school boards were running wild in their expenditures. I think I brought to the attention of the House some time ago an incident where a school in Toronto installed stage equipment costing $53,000. To an ordinary rural citizen, it would seem like a colossal extravagance to instal such equipment.

It was not the stage, it was the equipment, lighting and so on that cost $53,000. If municipalities' school boards spend money in that way, I have not too much sympathy with them when they come complaining that their grants are being lowered. I noticed in to-day's paper that the School Board in Toronto is complaining that their grant is now down from 12 per cent.

A few years ago, they thought they were going to get 50 per cent of the amount of money spent for education which was assessed on real estate. I do not need to remind some hon. members in the House of the occasion on which that 50 per cent was suggested to them as the Conservative policy of the day, which in no small measure accounted for the return of that Government. It is, however, of interest to note that this 50 per cent Toronto expected to get, has now dwindled down to 12 per cent. I can point out other authorities besides the hon. Minister of Education (Mr. Dunlop) who feel that our educational policy in the last few years has been wrong, that we have been following false gods, that, in any case, the end we arrived at was not the one we desired. Having quoted the hon. Minister (Mr. Dunlop), I might even quote his predecessor when he said:

> "In recent years, Ontario's secondary schools have been turning out students who can act

> in plays, cheer at football games, but cannot write or spell properly and read nothing but crime comics."

That was the present hon. Attorney General (Mr. Porter).

MR. PORTER: My successor has not apparently changed the policy too much since my time.

MR. NIXON: I thought you were a bit extreme for saying "nothing but crime comics". You do not still say they read nothing but crime comics?

MR. PORTER: Well, I do not go that far.

MR. NIXON: That is what you are quoted as having said. I do not want the crime comics, I can assure you of that, and I do not believe our young people read nothing but crime comics.

This very same Association which the hon. Minister (Mr. Dunlop) addressed this year, the hon. Minister of Agriculture (Mr. Kennedy) addressed a year ago, and he said then:

> "Many farmers are leaving farms due to high taxes and other costs, and I do not blame them too much."

Too much of the educational tax which is now 50 percent of the total tax, will soon be 75 per cent,if paid by the farmer. In England, they have a system of taxing where all farmers' buildings are taxe , but his land is not. Other countries have adopted this

system and I think we in Canada will adopt it before long. We are certainly going to do something about it and I do suggest to the hon. Minister of Education (Mr. Dunlop) and the hon. Minister of Agriculture (Mr. Kennedy) that they hasten these reforms that are promised, because it may be later than they think. I hope to live to see the day when our school policy is restored to the essentials, that many of these frills such as have been suggested, $53,000. worth of stage equipment, etc., aredone away with. If you provide $53,000. worth of stage equipment, you surely cannot complain if your pupils can act in plays. You would not be making the best use of it, if they did not. I think there is plenty of room for economy in education without any loss of its effectiveness to the pupils and much betterment in the educational system.

I can continue my approach to it by referring to report by Dr. Sidney Smith of the University of Toronto but I will not take the time this afternoon. It is very familiar,in any case, to every hon. member, as it was given wide publicity. This was when some sixty-five per cent of the pupils in an English course failed to get fifty per cent of the marks in what appeared to be a very easy examination indeed. He said that steps must be taken to make sure that illiteracy no longer

dwells in easy partnership with the holding of a University degree. I am sure we are all behind him in that.

Just one moment on the Federal taxation proposal and I am finished. This has also received a great deal of discussion in the Legislature for five or six years. The hon. Provincial Treasurer (Mr. Frost) made some reference to it in his Budget Speech but he left his position and the position of the Government very indefinite as to what should be done. You know, Mr. Speaker, the hon. Provincial Treasurer (Mr. Frost) has such nice words to say on these issues but his actions are so completely contrary to the direction in which his words point, that one scarcely knows what to make of it.

(TAKE "E" FOLLOWS)

Certainly at the conference in Ottawa in 1950, his speeches were most encouraging, and we were all very proud of him, and we looked forward to Ontario taking her place with at least eight other provinces in the Dominion, when these new tax proposals came up for decision.

I have here an excerpt from his address, in which he said:

> "We believe that ways and means of either assigning or sharing the fields of taxation can be devised which will be mutually satisfactory to the Federal Government, as well as to the Provinces. After all, such recommendations carry with them the realization that both Federal and Provincial taxes come from the same source, namely the Canadian taxpayers. The big job of the Government, whether it be Federal, Provincial or municipal, is to provide the services the people want, with the greatest amount of efficiency, and at the lowest possible cost. Taking the long-term view, the answer is to be found by allocating the responsibilities of all taxpayers to carry out this responsibility to the Government that is able to do the job."

I recognize that might be idealistic, but taking the long-term view, which probably we do not consider here at this present time, it seems to me that is the answer, if we look 25 or 35 years ahead from where we sit to-day.

In his Budget Speech of last Thursday, he had these nice things to say:

> "We in Ontario must be ever-mindful of the fact that the prosperity of this Canada of ours is all of one piece -- indivisible. We cannot morally or wisely grasp prosperity with one hand, and with the other strive to impede the progress of our brother Canadians in other provinces. As Ontario prospers, so must Canada prosper."

I asked the Hon. Treasurer if any approach had been made to open discussions or conversations at a high level with the authorities at Ottawa in connection with the new offer which was made last January. He gave me the usual bland "brush-off" by saying, "We are talking with Ottawa on various matters all the time." I did not get the impression -- and I do not think this Province has -- that Ontario intends to do anything toward entering into an agreement with the Federal authorities since the offer was made last January.

Mr. Speaker, eight other provinces have entered into agreements of this kind for five years, and they seem to have been very well pleased with their experiences, indeed.

As soon as the offer was received in British Columbia, the Conservative Treasurer in the then coalition government, hastened to Ottawa and negotiated a new agreement, and I see it was evidently very favourably received by the Press in British Columbia.

A Victoria columnist, on January 17th, wrote:

> "Finance Minister Anscombe has negotiated in Ottawa a new Dominion-Provincial Tax Agreement which, if accepted by the Legislature, would yield to the Province in the new year ten million dollars more than the year now closing, about $4,500,000 more than the Dominion Government offered in the discussions. The deal thus has the appearance of being highly advantageous to British Columbia."

Mr. Anscombe was so delighted with the deal he had negotiated at Ottawa, that he hurried home and gave the details to the Press without bothering to consult his Prime Minister, Mr. Johnston, or the Coalition Government, of which he was a member, and Mr. Johnston, the Prime Minister, was so put out at the action of his Treasurer that he "fired"him out of hand, which was the cause of the breaking-up of the Coalition Government. Should the Hon. Prime Minister (Mr. Frost) of this Province, in his dual capacity of Prime Minister and Provincial Treasurer, go down to Ottawa and conclude what we think would be a fair and advantageous agreement, he would not be open to the same danger into which Mr. Anscombe ran when he went home from Ottawa. Mr. Anscombe said, of course, that Mr. Johnston was simply jealous of the fact that his Treasurer had concludeda deal which was so much better than anybody else had been able to arrange, and that was the reason he was "fired", and it was

not the reason given by Mr. Johnston, that it was because he did not consult the Government before he gave the details to the Press. Evidently British Columbia was more than satisfied with the tentative agreement which had been negotiated.

I noticed a year ago an address by Hon. Mr. Garson, the present Minister of Justice who was, I believe, the Premier of Manitoba when the first agreement was entered into. He said "the Manitoba Tax Agreement with the Federal Government has transformed the Province from one with the highest tax and the biggest debt, to one with the lowest tax and the smallest per capita debt." He recalled that at the recent Dominion-Provincial Conference, the Federal Government had offered to renew this tax agreement, but had increased the minimum payments.

I earnestly hope that the Government of Ontario will accept the invitation to at least open discussions and negotiations on a high level with the Rt. Hon. Minister of Finance at Ottawa (Mr. Abbott), and see if it is not possible, for the next five years, to go ahead in step with the other Provinces of Canada. I have already suggested -- and I firmly believe -- that the buoyant nature of

our revenue, particularly in regard to corporation taxes, is in no small way due to the vast expenditures by the Dominion Government for defence purposes.

The Hon. Treasurer has in the past referred to what he calls our "unfortunate experiences" in conferences at Ottawa, and said that we lost millions of dollars for the Province of Ontario when we entered into a war-time tax agreement, although he, himself, voted for it when it was passed by the Legislature, and he was then in Opposition. Certainly I have no apology to offer to this House for having been a party to negotiating that agreement.

(Page E-6 follows)

We got enough to see us through. That is a sure thing. As I pointed out in the very attractive budget statement given by Mr. Gordon in 1943, we got as much as we would have got under peaceful peacetime conditions and I question the propriety or the right of the Province of Ontario to fatten its treasury pockets by the wartime expenditures of the Federal Government which were being poured out in such vast sums of money running into, I think, well over four billion dollars, and this year, Mr. Speaker, the Federal Government will spend $2,100,000,000 in defence expenditures alone and I think it would be infinitely better if Ontario would go along hand in hand with the other Provinces of Canada and see the Dominion through this crisis, in any case. The new offer would pay us, I believe, $137 million the first year, Mr. Speaker. That is certainly very substantially higher than anything ever considered before, and I trust that action will be taken along this line.

In any case, Mr. Speaker, I want to be on record five years from now as having advocated such a procedure, and I close my remarks in this Debate by moving the following motion, seconded by the hon. Leader of the Opposition (Mr. Oliver):

> That the Motion "That Mr. Speaker do now leave the Chair and the House resolve itself into Committee of Supply" be amended by adding thereto the following:

But this House regrets that the Government of Ontario has not taken definite action to initiate discussions on a tax agreement under the new offer of the Government of Canada for a five-year period beginning April 1, 1952.

---Mr. Downer leaves the Chair.

---Mr. Speaker in the Chair.

(Take "F" follows

MR. T. D. THOMAS (Ontario): May I first congratulate the hon. Prime Minister (Mr. Frost) on his ninth budget speech. I agree that it is quite a record for any man to deliver in this Assembly nine budget speeches in succession. It is a performance which may not be equalled for some time. I have had the pleasure of listening to four budget speeches in the Assembly. Of course they are becoming more lengthy and expansive. One thing which I believe the hon. Prime Minister (Mr. Frost) should appreciate is this: his speech was listened to with great interest by all hon. members in the House -- even the Opposition did not interrupt him during the course of his remarks. In fact the Opposition gave him complete freedom, although sometimes he interjected some caustic comparisons respecting previous administrations. I do hope the hon. Prime Minister (Mr. Frost) will be reasonable and extend to Opposition members the freedom given him last Thursday, for free speech is one of the cornerstones of our democracy, and an hon. member should have the right and privilege to say out loud what he really thinks, with the minimum of interruption.

I am interested in money, of course, and I am sure we shall all be interested when we receive our indemnity some day next week.

The hon. Prime Minister's remarks on the economic position in Ontario and in the country as a whole were most interesting and illuminating. One

or two points in particular which he made require, I think, some comment.

The hon. Prime Minister referred to the large proportion of private and public investment in Ontario, amounting in the past year to 21 cents out of every dollar spent. We all welcome a large measure of expansion in the productive assets of the Province, but I need not remind the hon. Prime Minister that in a time of rising prices and inflationary pressures such capital expansion needs to be carefully watched. Every dollar paid out in the form of wages or payment for materials used in capital construction is a dollar added to purchasing power which is not balanced by immediate production of the equivalent in consumer goods. Such a risk is sound and necessary when its purpose is to increase the volume of consumer production in the near future. Capital construction to build new plants, or homes for workers to live in, or hydro plants to produce power for the factories and farms, represents sound, desirable expansion. But in these difficult times we cannot afford socially wasteful or unnecessary expenditures on capital goods. The erection of huge bank buildings when families need homes, construction of flashy cocktail bars and bowling alleys when we should have more hospital beds, adds greatly to inflationary pressures with no compensating advantage in expansion of future production.

I recognize, Mr. Speaker, that this is primarily

a problem for the Dominion Government. I mention it here because the subject was raised by the hon. Prime Minister and because it does affect the programme of many departments of our Government. At least it is a constant plea of this Government that things it would like to do in the way of housing, of hospital expansion and of highway construction are being held up by material shortages. In that circumstance, I should expect this Government to be among the first to urge on Ottawa that the Government there do far more than it has so far done to channel all essential materials into those projects which will best serve the needs of our people, regardless of the claims of private profit.

The other point mentioned by the hon. Prime Minister, on which I would like to make a few very brief remarks, is the policy of the Dominion Government with regard to interest rates. I am no economist, but it seems to me that a programme supposed to combat inflation, which can only succeed by increasing the finance charges laid on the back of every man who wants to buy his own house and by increasing the income of those who grow rich on the rent of money, is a very poor way to fight inflation indeed.

This is part and parcel of the whole fiscal philosophy now popular at Ottawa, that every effort by the Government to influence the direction of our economy must be in the form of indirect pressures,

rather than direct controls. Raising of the interest rate is only one of those steps; others included the severe restrictions on credit buying, which resulted in almost immediate unemployment in the automotive and other heavy consumer goods industries, and the unforgivable reversal of policy on housing loans which made it so much more difficult for families to acquire their own homes.

As long as the Dominion Government tries to influence economic trends by means of indirect pressures, working through the normal operation of the economic system, the additional burdens which are thus imposed upon our people will continue to be carried by those who are weakest, who are least able to resist such pressures. A restriction on credit buying means nothing to the wealthy man who can afford to pay cash for whatever he wants; it means real deprivation to the average salary or wage-earner who either buys a car or a refrigerator or other household goods on credit or he doesn't buy them at all. Withdrawal of second mortgage loans and increases in the interest rate mean nothing but an opportunity for greater income to the man with large sums available for investment. To the average man -- like most of us in this House —it means that the dream of owning a home of his own recedes still further into the future; or if, somehow, he does manage to afford it the burden of finance charges, which is already one of the most costly items in home

buying, becomes an even greater load upon his back than it was before.

Ontario's record on housing is not good. It may be, as the hon. Prime Minister (Mr. Frost) claims, that more housing units have been built in Ontario than in any other province. But we have also had a greater population growth than any other province, in large part due to the aggressive immigration policy initiated by the government even before the end of the war in Europe. The net result has been that the increase in housing units has been barely sufficient to keep pace with the increase in population. The figures tabled in the House by the hon. Prime Minister (Mr. Frost) himself last week make that perfectly clear. From the tables of population growth and housing construction found in the Appendix to the Budget speech, I see that in 1945, with a population increase of 37,000, we completed 15,100 new houses; in 1946, population went up 93,000, and we completed only 21,300 houses; in 1947 population increase was 83,000, new homes completed, 24,700; in 1948, population increase 99,000, new homes completed only 28,664; in 1949, population increase 103,000, new homes only 32,704; in 1950, population up 93,000, new homes only 32,496; and last year, population increased by a record-breaking 127,000 while we completed only 32,782 new housing units.

Over the seven-year period, for a population increase of 635,000 persons, we have provided only 187,000 new homes. And we must bear in mind that this figure of

187,00 new units does not represent a net increase. Every year a certain proportion of old houses are retired, either because they are too old and decrepit for further use, or to make way for industrial or commercial developments, or even for new housing projects. Taking these losses into account, it is highly doubtful whether we have had enough new housing even to accommodate our population increase. In this regard, we might bear in mind the statement of a top official of the rent control administration to the Rent Control Committee set up by this House last year. Explaining to the committee the necessity for continuing rent controls, he warned them that in many parts of Ontario the housing shortage at that time--and it is just as true to-day -- was even more severe than it had been at any time during the war. In many communities, all our efforts have not been sufficient to keep up with the increase in population. We have not solved our housing problem in Ontario; we have let it grow worse.

I am afraid the clue to our failure is to be found in a statement by the hon. Minister of Planning and Development (Mr. Griesinger) in this House only a few days ago. Speaking on March 19th he said, as appears in Hansard at page A-9:

> "There is no doubt that the greatest single factor that will accomplish the building of the greatest number of houses in the shortest possible time is private building."

That is a statement of opinion with which I cannot possibly agree. For the past seven years we

have been relying almost exclusively on the private builder, and in spite of all the encouragement and assistance he has been given both from Queen's Park and Ottawa, he has not been able to build the houses we need. I think the reason is obvious. From the very nature of his operations, the private builder cannot build for those whose need is greatest, but only for those who have the most money. Undertaking relatively small projects with limited resources, his methods are too often inefficient and out-of-date, while both his operating costs and his financing costs are too high.

The one method, I am convinced, by which we can crack this housing problem and start to pull ahead of the shortage is by a large-scale direct building operation by the government, making fullest use of the newest building materials and techniques and using the government's strong credit position to obtain the lowest possible financing costs. That is the way it will eventually be done -- if not by this government, then by another -- and it will require an expenditure of a great deal more than ten million dollars. An adequate housing program in this province will have to be undertaken on the same scale, and with the same degree of vigour and governmental leadership as the St. Lawrence Development project.

We were all very much interested in hearing the hon. Prime Minister's (Mr. Frost) clear-cut exposition

of his policy with regard to the net debt of the province. Generally speaking, I think the policy of using surplus revenues in boom times to pay off existing debt, or at least to keep it within controllable limits, is a sound one. But it can be carried too far when it permits old folks to starve on $40 a month while the hon. Provincial Treasurer (Mr. Frost) tucks extra millions into his sock. I have some figures here respecting the aged people between 65 and 69 years. For the month of February there were 10,051 receiving pension on a means test basis, but of course there will be a greater number at the end of the year. According to a statement in the Globe and Mail of last Thursday, it is estimated that there are 160,000 persons in Ontario between the ages of 65 and 69 years. It is expected that 20% will qualify for the maximum pension. There will be about 30,000 persons, which will amount to $14½ million, the Province's share being just over $7½ million. A fair number of the recipients of this pension were unemployables and had been maintained on a 50 - 50 basis by the municipalities and the Province. There will, of course, be a saving there for the municipalities, but even then some of the municipalities have signified their intention of supplementing this small pension because of the great increase in the cost of living.

At this time last year, the hon. Prime Minister (Mr. Frost) estimated that in the fiscal year ending March 31, 1951, he would have a surplus of about

$22,000,000, which he intended to place in the sinking fund. When we met at the special session last Fall to pass the old age assistance legislation, we in the CCF pleaded with him to use just a portion of that twenty-two millions to provide a cost-of-living bonus for those aged people who were a provincial responsibility. He was adamant in his refusal to do so, in spite of the fact that he knew what he did not see fit to reveal to the House, that his actual surplus for that fiscal year had been, not twenty-two millions, but a record-breaking thirty-seven millions.

This year the hon. Prime Minister's (Mr. Frost) excuse for closing his ears to the needs of these needy citizens is even flimsier, because according to his own estimates he is going to save over five million dollars on this item of expenditure. A year ago, in the estimates tabled for the year which is now ending, the estimate for the Province's share of old age pensions was over thirteen million dollars. To-day, the estimate for the Province's share of old age assistance, including medical care for those in need over 70, is about eight millions -- a clear saving to Ontario of more than five millions. In fact, the saving is even more than that, because in a large proportion of cases these recipients of old age assistance are merely being transferred from the relief rolls. For not much more than half the amount he is saving on the new system, the hon. Prime Minister (Mr. Frost) could order that a $10 cost-of-living bonus be paid to every

recipient of old age assistance in Ontario.

I estimate, Mr. Speaker, that to do this would cost roughly $6,300,000. The hon. Provincial Treasurer (Mr. Frost) already has this $5,000,000 he is saving by not paying out what he did last year. He might say: "That would cost us $1,300,000 more". Mr. Speaker, if you refer to the Estimates this year, you will find another saving in the Department of Public Welfare whose estimate last year was for the sum of $22,000,000 for unemployment relief, and who this year are estimating only for $20,000,000, representing a saving of $2,000,000; and once again, Mr. Speaker, I plead with the hon. Prime Minister (Mr. Frost) to dip into his swollen revenues to help these needy men and women. These elderly folk have done their share to help build the great industrial and commercial undertakings which we were told last Thursday have been responsible for the buoyant, booming period we are now enjoying. They built, and we are reaping the fruits of their labours. Let us give them at least enough crumbs from the table to maintain them in honest decency.

I make this suggestion to the hon. Prime Minister (Mr. Frost). We all recognize that the Dominion government has an equal share of responsibility in this matter with the province. Between them, the two jurisdictions are now paying $40 a month, and have been paying that amount for some years. But anyone who looks at the cost of living index these days can see that it takes at least $60 a month to buy what $40 would buy five or

six years ago. In April, 1946, the index was at 120. To-day it is over 190 --- more than 50% greater.

To provide any kind of a decent standard, therefore, the old age assistance should be $60 a month -- $30 from Ottawa and $30 from Queen's Park.

I appeal to the hon. Prime Minister (Mr. Frost) to take the initiative, and announce before this House prorogues that Ontario will pay its share of a $60 allowance -- that we will boost our immediate payment to our old people by $10 a month, and will urge Ottawa to pay $10 more.

I know the hon. Prime Minister (Mr. Frost) has often said that Ontario will pay its share of any increase that Ottawa proposes. But that is not good enough. Elderly men and women without enough food to eat cannot wait till Ottawa makes up its mind. They need help now -- to-day, while they are still alive to use it. Let Ontario take the lead in this matter. Let us show a good example, and then we shall be in a strong position to demand that Ottawa follow suit.

We can well afford it. As I said before, little more than half of what we are saving on the new system will pay our share. Indeed, that extra fifteen millions of added surplus that gave the hon. Provincial Treasurer (Mr. Frost) such a pleasant surprise last year -- that sum alone would be enough to pay a $10 cost-of-living bonus on the old age assistance allowance for the next five years.

During the course of the hon. Prime Minister's

(Mr. Frost) remarks, comparisons were made of what the Government of to-day was doing and what the government of 1943 did. Mr. Speaker, great changes have taken place in nine years. Road transportation has increased tremendously in nine years with increased costs for highway construction and maintenance. The industrial progress of this Province and of this Dominion has been prodigious. Yet we hear the hon. Prime Minister (Mr. Frost) speak of the great things this Government has done. Mr. Speaker, I think it is about time he gave some of the credit for our great progress to Old Man Ontario. For the progress we have made this last 10 years has been mainly due to the initiative, enterprise and adaptability of our people, not only in Ontario, but in this Dominion.

(Take "G" follows)

MR. W. E. BRANDON (York West): Mr. Speaker, I move the adjournment of the Debate.

Motion agreed to.

CITY OF STRATFORD

CLERK OF THE HOUSE: First Order, third reading of Bill No. 3, "An Act respecting the City of Stratford". Mr. Edwards.

In the absence of Mr. Edwards, Mr. J. A. Pringle (Addington) moves third reading of Bill No. 3.

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

CITY OF SAULT STE. MARIE

CLERK OF THE HOUSE: Second Order, third reading of Bill No. 5, "An Act respecting the City of Sault Ste. Marie". Mr. Lyons.

MR. C. H. LYONS (Sault Ste. Marie). moves third reading of Bill No 5.

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

TOWN OF TIMMINS SEPARATE SCHOOL BOARD

CLERK OF THE HOUSE: Third Order, third reading of Bill No. 6, "An Act respecting the Town of Timmins Separate School Board". Mr. Grummett.

MR. W. J. GRUMMETT (Cochrane South): moves third reading of Bill No. 6, "An Act respecting the Town of Timmins Separate School Board".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

J. L. THOMPSON SUPPLY LIMITED

CLERK OF THE HOUSE: Fourth Order, third reading of Bill No. 8, "An Act respecting J. L. Thompson Supply Limited". Mr. Parry.

MR. W. MURDOCH (Essex South), in the absence of Mr. Parry, moves third reading of Bill No. 8, "An Act respecting J. L. Thompson Supply Limited."

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

TOWN OF BARRIE

CLERK OF THE HOUSE: Fifth Order. third reading of Bill No. 27, "An Act respecting the Town of Barrie". Mr. Johnston (Simcoe Centre).

MR. G. G. JOHNSTON (Simcoe Centre), moves third reading of Bill No. 27, "An Act respecting the Town of Barrie".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

CITY OF FORT WILLIAM

CLERK OF THE HOUSE: Sixth Order, third reading of Bill No. 7, "An Act respecting the City of Fort William." Mr. Mapledoram.

MR. C. MAPLEDORAM (Fort William), moves third reading of Bill No. 7, "An Act respecting the City of Fort William."

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

MUNICIPALITY OF NEEBING

CLERK OF THE HOUSE: Seventh Order, third reading of Bill No. 17, "An Act respecting the Municipality of Neebing." Mr. Mapledoram.

MR. C. MAPLEDORAM (Fort William), moves third reading of Bill No. 17, "An Act respecting the Municipality of Neebing."

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

TOWNSHIP OF McKIM

CLERK OF THE HOUSE: Eighth Order, third reading of Bill No. 33, "An Act respecting the Township of McKim". Mr. Fullerton.

MR. W. MURDOCH (Essex South), in the absence

of Mr. Fullerton, moves third reading of Bill No. 33, "An Act respecting the Township of McKim".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

DIVISION COURTS ACT

CLERK OF THE HOUSE: Ninth Order, third reading of Bill No. 40, "An Act to amend the Division Courts Act". Mr. Porter.

HON. DANA PORTER (Attorney-General), moves third reading of Bill No. 40, "An Act to amend the Division Courts Act".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

THE REGISTRY ACT

CLERK OF THE HOUSE: Tenth Order, third reading of Bill No. 45, "An Act to amend the Registry Act." Mr. Porter.

HON. DANA PORTER (Attorney-General), moves third reading of Bill No. 45, "An Act to amend the Registry Act.".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

SURROGATE COURTS ACT

CLERK OF THE HOUSE: Eleventh Order, third reading of Bill No. 46, "An Act to amend the Surrogate Courts Act." Mr. Porter.

HON. DANA PORTER (Attorney-General), moves third reading of Bill No. 46, "An Act to amend the Surrogate Courts Act."

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

COUNTY COURTS ACT

CLERK OF THE HOUSE: Twelfth Order, third reading of Bill No. 57, "An Act to amend the County Courts Act". Mr. Porter.

HON. DANA PORTER (Attorney-General), moves third reading of Bill No. 57, "An Act to amend the County Courts Act".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

SHERIFFS' ACT

CLERK OF THE HOUSE: Thirteenth Order, third reading of Bill No. 59, "An Act to amend the Sheriffs' Act". Mr. Porter.

HON. DANA PORTER (Attorney-General), moves

third reading of Bill No. 59, "An Act to amend the Sheriffs' Act".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved, that the Bill do now pass and be intituled as in the Motion.

HON. LESLIE M. FROST (Prime Minister); Mr. Speaker, I move that you do now leave the Chair and the House resolve itself into Committee of Supply.

Motion agreed to.

The House in Committee of Supply; Mr. Downer in the Chair.

SUPPLEMENTARY ESTIMATES

On vote 196:

HON. LESLIE M. FROST (Prime Minister): We have not in the past had too many supplementary estimates. My recollection is the last supplementary estimate we had was in 1945 or 1947 in connection with the prepayment of school taxes. In 1945, 1946 and 1947, I believe we had supplementary estimates. In any event, Mr. Chairman, it is a good practice. This last year, we endeavoured to avoid extra payments which we felt might very properly be referred to the Legislature. This amount, of course, is to be paid out of the income of 1951-52 and the amount of this ten million dollars is included in the expenditures for that year.

Quite apparently it would not be possible to do this but for the fact that revenues have been buoyant and it is possible to pay this amount and still meet the requirements of the Budget introduced a year ago. I should like to say a word of congratulation to the hon. member for Brant (Mr. Nixon). In connection with his address this afternoon, I think it was a very able address dealing with matters relating to the Budget, and I would say from the standpoint of an Opposition critic, his criticism was fair and to the point. There were some parts of it to which I should like to refer at the moment, because it seems to me to be apropos of what he said. The hon. member for Brant (Mr. Nixon) mentioned the debt of the province. His references were, I think, entirely fair in connection with the debt of the province. I think it is a great thing to have these matters mentioned here. For some years past, little attention has been paid to our debt position by hon. members of the House. I think in every one of the Budget Speeches, I mentioned the all-important question of debt and I welcome the comments of the hon. member for Brant (Mr. Nixon) in connection with it. Of course, the revenue producing debt and net debt makes the total of gross debt and again I emphasize the fact that net debt is the important feature. It is true that revenue

(Page G-8 follows.)

producing debt does increase our debt, but, nevertheless, it is payable from revenue producing assets and is not an impact on the taxpayer. It is quite true that our revenue producing debt has increased one hundred million dollars in the last year due to the fact that we had to borrow money in New York on account of Hydro.

Because of the situation existing in New York, it was necessary to borrow the money in the name of the province rather than as a Hydro issue guaranteed by the Government. In other words, we know the Hydro-Electric Power Commission up here, but in New York it is just another name. In New York, the name of the province is something else and we were able to borrow the money more cheaply. It is difficult to borrow money without the guarantee of the province.

In regard to indirect debt, the hon. member for Brant (Mr. Nixon) mentioned that in 1943, our indirect debt, that is debt which is borrowed by Hydro and guaranteed by the province, ran one hundred and twenty million dollars and now it is five hundred million dollars. I will say that we can see within the next four or five years that indirect debt will rise to about one billion dollars. In other words, the debt will be five hundred million dollars more than at the present time, due, as is quite apparent, to the development at Niagara.

We are going to have to borrow probably another two hundred million dollars or two hundred and fifty million dollars for the St. Lawrence Seaway. I think probably hon. members of the House in considering that will recognize the importance of our credit.

I was quite interested in two articles which appeared in a journal which devotes some attention to myself and this Government, the Toronto Daily Star, and I was interested in an editorial of March 21, when it said that the payment of twenty-five million dollars into sinking funds to reduce our net debt is actually in excess of the requirement by some eighteen million dollars. That is quite true. They say it is excessive taxation. The very next day, on the financial page of the paper, in an article by the financial editor, appears:

> "Frost says saving for a rainy day is a good idea but he does not follow it."

As a matter of fact, the two articles are completely contradictory. The financial editor says that in these days of buoyant revenues, it is a good idea to apply what you can to the debt that is incurred during the year. On the other hand, the editorial says it is excessive taxation. I would say the answer to both articles is the fact that they are contradictory. As a matter of fact, it is right and proper that we should

apply everything we can in keeping down our debt position. One of these articles raises the point which was raised here this afternoon, that there are some criticisms of the Ottawa situation. You know by now I never criticise Ottawa; I never say anything about their Budgets. I would point out that the position in Ottawa is different, Ottawa is not borrowing new money. Ottawa, for some years now, has been able to go along and not incur any new debt. They obtain money for defence requirements, from current account through ordinary account, and if there is a surplus this year, as there has been other years of $3,000,000., $4,000,000. or $5,000,000. of course, it goes on the debt which has not increased for some three or four years. Our position is entirely different, we are borrowing new money continuously and, as I said in the Budget, we are going to have to increase our net debt. We did increase our net debt last year but we are keeping it as low as possible by applying increased amounts, we are seeking funds to keep that net debt down. So successful were we over the period of eleven years, the increase was only about $14,000,000. This year, the increase is going to be considerably more but in effect we can say that with the net debt accrued during this particular year which will end on the 31st of this month, on the new debt we have been

able to pay at least $18,886,000. from current account. If we find in the last days of this month our surplus runs beyond $18,886,000. that sum again will be applied. I think that is wise and prudent financing and I think it is in accordance with what the hon. member for Brant (Mr. Nixon) would say is good, namely, to keep our net debt well in hand and well under control. I agree with what he said about statutory amounts which are shown in the estimates. It is another thing, however, to change our bookkeeping system. The provincial auditor is here and I think he would agree with that fact.

We have some fictions in our public accounts which have cropped up from other days such as the Highway Improvement Fund. This is competely misleading, the Highway Improvement Fund shows a paper balance of $200,000,000. at the present time, which is completely non-existent. The reason is that in the days of the old Highway Improvement Fund when it was first brought in from thirty-odd years ago, there were certain things not charged to the Highway Improvment Fund, for instance, interest on highway debt is not charged to it. The cost of administration of the Department which amounts now to several million dollars a year is not charged to it. Even the hon. Minister's salary is not charged to it.

As a matter of fact, if you take the figures on the basis that no doubt was in the minds of those who created the Highway Improvment Fund, there is a deficit of a like amount, probably a couple of hundred million dollars. These things are fictions, and I would like to do away with them. The problem, of course, is it means such a radical change in our public accounts system. It seems if we were to do it this year, it would not really be comparable with any previous year. It creates problems of that sort and while I agree with what has been said , I think, we are moving along the lines of getting away from this situation, I would really like to do a major operation and abolish the old Highway Improvment Fund which, as I say, has reached the stage where it is completely meaningless.

(TAKE "H" FOLLOWS)

As regards the loan which was called at 3½ per cent; may I point out that was a New York loan and is payable in U.S. funds. We were able to borrow that money at a premium, and due to fortuitous circumstances to pay it off at a discount. In effect the loan had probably a couple of years to run, but we were able to pay it off and get 3¼ per cent for our money, which is a high rate of interest for a short-term loan. We also have been afforded this added advantage, that we cleared off an issue of $15 million, and were enabled to get away from the New York market but, at the same time, making it possible for us to go back to that market if we care to in the future. We are hoping it will not be necessary. I am in agreement with the hon. member for Brant (Mr. Nixon) when he says it would be preferable to borrow money in this country, but we kept the slate clear down there, and it enables us to go to the New York market in the future if we want to, or find it necessary. That gets the loan out of the way under favourable circumstances; in fact, we made money at both ends of the deal because of the exchange situation.

Just a word in connection with the Supplementary Estimates: this covers an amount mentioned in the budget of $2,300,000, under the Department of Education, by way of special grants to universities; $1,000,000 to the teachers' superannuation fund; $5,700,000 in capital grants for the

teaching hospitals, as set out in the Supplementary Estimates, and $1,000,000 being paid into our housing corporation, for the purpose of strengthening that organization. The latter $1,000,000 forms part of the sum of $10,000,000 set up in the budget, in connection with the housing scheme.

MR. FARQUHAR OLIVER (Leader of the Opposition): May I ask the hon. Prime Minister (Mr. Frost), Mr. Chairman, what rule is used to determine the various grants as applied to the different universities?

MR. FROST:(Prime Minister): The rule is somewhat a rule of thumb, of course. The same question might be asked in connection with the teaching hospitals. In regard to the universities, we have taken the number of students and the special work they are doing which requires capital assistance and have divided it on that basis. This is not unlike what we did some four years ago, as the hon. Leader of the Opposition (Mr. Oliver) will recall, when the amount was paid out of surplus in the Supreme Court fund.

In regard to the hospitals, we ascertained the services the various hospitals were rendering. For instance, in the City of London it was felt that probably as between Victoria Hospital and St. Joseph Hospital the amount would run about three to one in beds, and in the services they rendered, and it was on that basis the division was made.

Vote No. 196 agreed to.

On Vote 197:

MR. OLIVER: On Vote 197, Mr. Chairman, may I ask the Government if the provision of this $1 million for the teachers' superannuation fund will make that fund actuarially sound? Is that sufficient?

MR. FROST (Prime Minister): Mr. Chairman, perhaps I may answer that question for the hon. Minister of Education (Mr. Dunlop). We felt the fund need strengthening. The whole matter is being inquired into by actuaries appointed by the teachers and the Government. That survey will, of course, take some time. As I say, we felt the fund should be strengthened. We acted on the advice of our officials and the Provincial Auditor and this seemed to be a suitable time to add that sum of $1 million.

MR. OLIVER: But the Government has no present knowledge to indicate whether that is sufficient?

MR. FROST (Prime Minister): No.

Votes 197 to 199 inclusive agreed to.

MR. W. L. HOUCK (Niagara Falls): Mr. Chairman, may I revert back to the remark by the hon. Prime Minister about borrowing money on the New York market. Was any difficulty experienced in borrowing money on the New York market?

MR. FROST (Prime Minister): No. Actually our loans were received very well. Of course, as the hon. member (Mr. Houck) will realize, we have been

doing business in very unusual times.

A year and a half ago we could borrow money in the Canadian market at a little over 3 per cent. I think it varied from 3.08 to 3.18 per cent; with the raising of the bank rate, and the support removed from Dominion Government bonds which were held by institutions and individuals, which resulted in dropping the prices. When requiring money we have had to step into the market and try to judge what would be the interest rate at which people would loan the necessary money. When we went into the New York market we were, of course, going into a new market. We had not been there for some twenty years with a new loan, although we had been there with refunds. However, we went to New York and endeavoured to get the best rate we could, and we seem to have hit the market very accurately. Some of the other Provinces and municipalities went there, but our rates were comparatively very favourable.

If you can call $30 million a "small loan", we had one about last May. We went in at a coupon rate, I think, of 3½ per cent, and sold at a discount to yield about 3.6 per cent. As the money market deteriorated, we went into it toward the end of the year for two loans, one for ourselves and one for Hydro, at 4 per cent. The rate seems to be stabilized at about that figure, as far as I can see.

In New York we had no difficulty with one

of the loans, and the market there is such that we can go back to it, if we want to. On the other hand, we would much prefer to borrow here in Canada if we can.

MR. OLIVER: Mr. Chairman, may I revert to something the hon. Prime Minister (Mr. Frost) said a few moments ago with regard to highway expenditures as between capital and ordinary? I think that something a little over $3 million was voted by hon. members of the Legislature and something like $90 million went by a devious route to the highway improvement fund. I have been persuaded for some time -- and I think perhaps the hon. Prime Minister is of a like mind on that -- that this is a most unusual and undemocratic procedure. I think the Highway Improvement Act was placed on the statute books about 1920. I imagine the idea at that time was that all the money for highway purposes would be paid into and out of the highway improvement fund. As an actuality -- and I think the hon. Prime Minister will follow me -- there is no money in the highway improvement fund at all; it is now in the consolidated revenue fund of the Province. Consequently we are working through an Act which does not exist for the purpose for which it was intended, and by following that route we are relieving the Legislature of the responsibility of voting almost $90 million in highway funds. I am not so sure that we should not hasten to correct that situation.

(Take "I" follows)

After all, hon. members come here to pass on the Estimates that are presented for the ensuing year, and it seems to me not only unreasonable but highly improper that a capital expenditure should be provided for removing snow from the highways and paying for ordinary maintenance of permanent highways. That is not a capital expenditure by the widest term; it is ordinary expenditure simple and pure.

HON. MR. FROST (Prime Minister): We do not treat that as a capital expenditure, of course.

MR. OLIVER: You must be a lot lower than I thought you were if you only vote $3 million and you do not take it on capital expenditure. What is ordinary expenditure, then?

MR. FROST (Prime Minister): I think we have been very broad in our ordinary expenditure. The Provincial Auditor is here and I shall ask him afterwards if I am right or wrong in this, but I think that in what we call maintenance we include, for instance, the realignment of old highways. We may have carried that too far. I think much of our realignment work on old highways really might have been carried as capital work, but as a matter of fact we have treated that as ordinary account, because it is arguable.

This year we have $55 million in ordinary account and $45 million in capital, and the hon. Leader of the Opposition (Mr. Oliver) may count on it that what is allotted to capital is very strictly

capital work, there is no question about that, and it may be that some of what we have in ordinary account is, if not capital, then pretty close to the line.

Estimates of the Office of Lieutenant-Governor.

Vote No. 119 agreed to.

Estimates of Office of Lieutenant-Governor agreed to.

HON. L. M. FROST (Prime Minister): Office of the Provincial Auditor.

Vote No. 141 agreed to.

Estimates of Office of the Provincial Auditor agreed to.

HON. L. M. FROST (Prime Minister): Miscellaneous Item, Vote 202.

Vote No. 202 agreed to.

Vote No. 203 agreed to.

Miscellaneous Estimates agreed to.

HON. L. M. FROST (Prime Minister): Mr. Chairman, I should like to say in connection with the Provincial Auditor that this Government and this Assembly of the people are well served by Mr. Cotnam, the Auditor who presides over that Department. In him we have an official who is not an official of the Government; he is an official of this Assembly and is responsible to the Assembly. He is very truly the "watchdog of the Treasury", and I may say Mr. Cotnam has been very strict in his interpretations of matters,and I can assure my hon. friend the

Leader of the Opposition (Mr. Oliver) that in connection with matters relating to capital payments or to statutory payments, the Provincial Auditor pretty well shares his views. If he presses the point long enough the Provincial Auditor might insist indeed on something of that sort, and I would not have any opposition myself to doing that. I think the more possibilities that are given to hon. members of the Legislature to vote money and have control over the purse strings, the better, and the Provincial Auditor is certainly a constitutionalist on matters of that sort.

Mr. Chairman, I move that the Committee rise and report progress.

Motion agreed to.

The House resumed; Mr. Speaker in the Chair.

MR. A. W. DOWNER (Dufferin-Simcoe): Mr. Speaker, the Committee of Supply begs to inform you that it has come to certain resolutions, and moves for leave to sit again.

Motion agreed to.

THE INTERPRETATION ACT

CLERK OF THE HOUSE: 27th Order, second reading of Bill No. 49, "An Act to amend the Interpretation Act." Mr. Porter.

HON. DANA PORTER (Attorney General) moves second reading of Bill No. 49.

He said: Mr. Speaker, in moving second reading

of this Bill I may remind hon. members that this Bill is designed to accomplish two things. One is to provide that every proclamation issued by the Lieutenant-Governor in Council shall be judicially noticed by all judges, justices of the peace and others, without being specially pleaded.

The second purpose of the Bill is to deal with the question that has been raised by the change in the hours during which certain public offices are open to the public, and is complementary to the other legislation to that effect.

I propose that this Bill be referred to the Committee on Legal Bills.

Motion agreed to: second reading of the Bill.

LAND TITLES ACT

CLERK OF THE HOUSE: 28th Order, second reading of Bill No. 50, "An Act to amend the Land Titles Act". Mr. Porter.

HON. DANA PORTER (Attorney-General) moves second reading of Bill No. 50.

He said: Mr. Speaker, this Bill is another which I propose to refer to the Committee on Legal Bills. I do not know that it is necessary for me to again outline what the Bill contains, unless hon. members wish me to do so.

Motion agreed to: second reading of the Bill.

EXECUTION OF TRUSTS ACT, 1939

CLERK OF THE HOUSE: 29th Order, second reading

of Bill No. 51, "An Act to repeal the Execution of Trusts Act, 1939". Mr. Porter.

HON. DANA PORTER (Attorney General) moves second reading of Bill No. 51.

Motion agreed to.

THE DEPENDANTS' RELIEF ACT

CLERK OF THE HOUSE: 30th Order, second reading of Bill No. 52, "An Act to amend the Dependants' Relief Act." Mr. Porter.

HON. DANA PORTER (Attorney General) moves second reading of Bill No. 52.

He said: Mr. Speaker, I propose that this Bill be referred to the Committee on Legal Bills. I think it is not necessary for me to review the contents of it at this stage.

MR. J. B. SALSBERG (St. Andrew): Mr. Chairman, I think the hon. Minister should explain this Bill to the House now.

MR. PORTER: Well, for the benefit of the hon. member who was not in his seat when it was explained in the first instance, I shall explain it again. It is always a great pleasure to explain a second time to those who ask for it. I do not know whether the hon. member (Mr. Salsberg) wants a long explanation, but I trust it will be one he can understand this time.

The first two sections of this Bill deal with a certain difficulty that has occurred in the

courts in interpreting certain sections of The Dependants' Relief Act. A case occurred recently and was decided by the Chief Justice of the High Court. It dealt with two things; one was with respect to a certain section in The Dependants' Relief Act which requires the applicant to give evidence orally. There was some question as to whether under certain circumstances the applicant would be entitled to submit evidence by way of commission evidence if the applicant happened to live outside the province. Provision is made by the general rules of the court for a commission to be appointed and the evidence of the person might be taken outside of the province and read at the trial, and there is also provision in the general rules of the court in cases where a party is incapacitated by illness or for some such reason is unable to attend personally in court, to have his or her evidence taken in a manner which is called "de bene esse", which the hon. member for Brant (Mr. Nixon) would understand if he were here.

MR. W. L. HOUCK (Niagara Falls): I do not understand it. What is it?

MR. PORTER: It means that even if he is not here his evidence can be well and truly taken. I hope that is approximately correct. It is "off the cuff."

MR. HOUCK: Subject to revision.

MR. SALSBERG: While the hon. Minister (Mr. Porter) is at it, would he explain the case he has in

mind, because I am worried about it.

MR. PORTER: I believe I have it right here, specially for the benefit of the hon. member, because I expected he would ask that question.

This is a case of Re Martin, 1951 Ontario Weekly Notes, Page 691, in case the hon. member for St. Andrew wants to take notes.

MR. SALSBERG: I shall take it from Hansard.

MR. PORTER: This was a case under The Dependants' Relief Act, where there was an appeal from the ruling of the Judge of the Surrogate Court of the County of Carleton, dismissing an application for a commission to take in British Columbia the evidence of a widow eligible for relief under The Dependants' Relief Act. The Chief Justice of the High Court pointed out in his judgment that the Surrogate Court judge had dismissed that motion for a commission on the ground that on such an application "the evidence taken shall be given orally before the judge," according to the present wording of the Statute. The question was whether or not that over-ruled the general rules of practice in some cases where evidence under certain conditions can be taken on commission.

Probably reasons were given in this case and it was decided under all the circumstances that evidence could be taken on commission in spite of the wording of the Act. Therefore it was considered advisable to amend the Act to bring it in line so there will be no possible question arising and

commission evidence will be acceptable. It is intended to make applicable the practice and procedure of the Surrogate Court to all the proceedings under this Act, instead of some of the special provisions which were inserted in the Act when it was first introduced, so that the Surrogate Court rules of procedure will apply and will provide for all these things.

(Take "J" follows)

This second part of the Act deals with the question of appeals and the practice and procedure on appeals. I might just remind the hon. members that the Dependent Relief Act became law some years ago for the purpose of the relief of a dependent of a deceased person who was not sufficiently provided for in a will: the widow, for instance, or, in some cases, where there were children who were dependent, and, naturally, had some claim upon the estate. This Act generally provided that, where a person in that category chose to go before the County Court Judge and try to establish they were dependents, and the will did not make sufficient provision for them, considering the amount of money that was left in the estate, the Judge could make an order, which in some cases, had the effect of altering the will, and because a first charge on the estate, in the amount the Judge decided should go to the dependents. These amendments to the Statute are for the purposes I have mentioned.

MR. SALSBERG: Mr. Speaker, I ask this question despite information I received about a series of fairy tales carried in the Telegram in one of which I am listed as being a lawyer - I want to

say that there is no truth to it, I am not responsible, I never was a lawyer. This was brought to my attention by the legal profession. I do not know if I can sue, or if one can get damages for being called a lawyer when he is not. Now, I was afraid this may affect a category of people which under certain laws -- and obviously under this one -- could be taken to court and compelled to assume certain responsibilities for maintenance of members of families. But I think I am right in thinking this Bill is only for widows and orphans.

MR. PORTER: Well, where there are dependents, where there was an estate that could have supported them, but for some reason or other through a mistake, or due to meanness, the testator denied them.

MR. SALSBERG: It is to help the needy.

MR. PORTER: I can assure the hon. member (Mr. Salsberg) it is to help the needy.

Motion agreed to; second reading of the Bill.

THE TRUSTEE ACT

HON. DANA PORTER (Attorney General), moves second reading of Bill No. 74, "An Act to amend the Trustee Act."

He said: As I mentioned on the first reading

of this Bill, this is an Act which extends the powers and widens the scope of trustees as to investments. I propose that this should be referred to the Committee on Legal Bills and there an opportunity will be given those who are chiefly interested and have advocated this measure, to present their case and have it more fully considered. I also may add the Government was not prepared to advance this and be responsible for it as a Government measure in the ordinary sense. After the Legal Bills Committee has had an opportunity of threshing it out, we will see in what form it returns to the House.

Motion agreed to; second reading of the Bill.

LOAN AND TRUST CORPORATIONS ACT

HON. DANA PORTER (Attorney-General), moves second reading of Bill No. 89, "An Act to amend the Loan and Trust Corporations Act".

He said: I propose that this be sent to the Committee on Legal Bills for full consideration.

Motion agreed to; second reading of the Bill.

THE DOWER ACT

HON. DANA PORTER (Attorney-General), moves second reading of Bill No. 93, "An Act to amend the Dower Act."

He said: I propose to send this to the Committee on Legal Bills for full consideration.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, in moving the adjournment of the House, may I particularly refer to what the hon. Attorney-General (Mr. Porter) has said about these last three Bills, Bill No. 74, Bill No. 89 and Bill No. 93. These Bills, of course, are not being introduced as Government measures but they have been introduced with the view of sending them to the Legal Bills Committee with no strings attached. We welcome a very thorough consideration of the Bills, particularly the first two. The last Bill, of course, is more or less routine, but it raises a very interesting subject into which the Legal Bills Committee might want to further delve and give a good deal of consideration to it.

To-morrow, we propose to go ahead with the estimates of the Department of the Attorney-General and also the estimates of Insurance and follow that with some Bills. We are hoping to adjourn to-morrow afternoon about 5:15. I think the greatest show on earth comes off to-morrow evening, which is a highly important piece of public business and it is, I think, desirable that we should adjourn a little earlier.

MR. F. R. OLIVER (Leader of the Opposition): Could the hon. Prime Minister (Mr. Frost) indicate the

Bills?

MR. FROST: I think we might take the Hydro Bills that are on the Order Paper and if there are any Bills the hon. Leader of the Opposition (Mr. Oliver) objects to, I will not call them.

Motion agreed to.

House adjourned at 6:03 of the clock, p.m.

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